



Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

IF YOU WISH TO ADDRESS THE BOARD:

1. Please file a speaker's slip with the Executive Director, and upon recognition by the Chair, approach the rostrum and state your name; speakers are limited to 5 minutes per item.
2. If you need special assistance to participate in the meetings of the City of Alameda Housing Authority Board of Commissioners, please contact (510) 747-4325 (TTY/TRS: 711) or vmondo@alamedahsg.org. Notification 48 hours prior to the meeting will enable the City of Alameda Housing Authority Board of Commissioners to make reasonable arrangements to ensure accessibility.

AGENDA

REGULAR MEETING OF THE BOARD OF COMMISSIONERS

DATE & TIME

Wednesday, June 19, 2019 –

Regular Meeting – 7:00 p.m. (AAHC MEETING TO FOLLOW DIRECTLY AFTERWARDS)

LOCATION

Independence Plaza, 703 Atlantic Avenue, Alameda, CA

Welcome to the Board of Commissioners of the Housing Authority of the City of Alameda meeting. Regular Board of Commissioners meetings are held on the third Wednesday of each month in the Ruth Rambeau Memorial Community Room at Independence Plaza.

Public Participation

Anyone wishing to address the Board on agenda items or business introduced by Commissioners may speak for a maximum of five minutes per agenda item when the subject is before the Board. Please file a speaker's slip with the Housing Authority Executive Director if you wish to address the Board of Commissioners.

PLEDGE OF ALLEGIANCE

1. **ROLL CALL** - Board of Commissioners
2. Public Comment (Non-Agenda)



3. CONSENT CALENDAR

- Consent Calendar items are considered routine and will be approved or accepted by one motion unless a request for removal for discussion or explanation is received from the Board of Commissioners or a member of the public.

- 3-A. Approve Minutes of the Board of Commissioners Meeting held May 15, 2019 – **Page 1**
- 3-B. Accept the Monthly Overview Report for Operations/H.R./I.T. – **Page 5**
- 3-C. Accept the Monthly Overview Report for the Housing Programs Department – **Page 10**
- 3-D. Accept the Monthly Overview Report for the Rent Stabilization Program – **Page 13**
- 3-E. Accept the Monthly Overview Report for Property Operations – **Page 15**
- 3-F. Accept Update on the Independence Plaza 504/ADA Upgrade – **Page 21**
- 3-G. Accept the Monthly Overview Report for Housing & Community Development – **Page 23**
- 3-H. Accept the Monthly Development Report for Everett Commons – **Page 25**
- 3-I. Accept the Monthly Development Report for North Housing – **Page 27**
- 3-J. Accept the Low and Moderate Income Housing Asset Fund Report – **Page 29**
- 3-K. Accept Revision to the Training and Travel Expense Procedures – **Page 34**
- 3-L. Accept the Budget Variance Report for March 31, 2019 – **Page 41**
- 3-M. Authorize the Executive Director to Negotiate and Award a One-Year Contract for Auditing Services for the Year Ending June 30, 2019 to Citrin Cooperman & Company, LLP for an Amount Not to Exceed \$45,000 and to Allow the Executive Director to Negotiate and Award Future Extensions of Time and Money Not to Exceed \$200,000 and Five Fiscal Years, Starting with the Audit of the 2018-19 Fiscal Year – **Page 53**

4. AGENDA

- 4-A. Accept the Monthly Development Report for Rosefield Village and Approve a \$2 Million Loan Amendment to Island City Development for Predevelopment Work at Rosefield Village and Authorize Executive Director to Negotiate and Execute the Loan Documents – **Page 55**
- 4-B. Adopt the Resolution to Approve the Housing Authority's One Year Budget for Fiscal Year July 1, 2019 to June 30, 2020 and the Revised Schedule of Authorized Positions – **Page 58**
- 4-C. Accept a Presentation and Discussion on AHA's Obligation and Options to Prefund Pension Liabilities and Provide Direction to Staff on Pre-funding of the Pension Liability. Board to Take the Following Actions: (a) Approve a Payment of Up to \$538,000 to CalPERS by June 30, 2019 for the FY 2018-19 Required Payment; (b) Authorize the Executive Director or Designee to Establish a 115 Trust and to Prefund that Account in an Amount Up to a Maximum of \$2,200,000 (the Total Unfunded Liability on a Projected Basis) (c) Approve the Executive Director to Make 1/12 of Those Payments in Equal Amounts to Allow for Dollar Cost Averaging (c) provide direction to staff on the selection of an amortization period of 10 years or 15 years, an investment strategy and an target ROR (4 or 5%) (d) Amend the FY 2019-20 Budget to Include Any Amounts Approved for the Establishment of the Trust (e) Select a 115 Trust from PARS or CalPERS and the Investment Strategy as Conservative/ Moderately Conservative or Its Equivalent – **Page 79**



- 4-D. Approve a Resolution to Allow the Executive Director to Open New Collateralized Bank Accounts with Citibank for The John Stewart Managed Properties – **Page 112**
5. ORAL COMMUNICATIONS, Non-Agenda (Public Comment)
6. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)
7. ADJOURNMENT

* * *

Note

- If you need special assistance to participate in the meetings of the Housing Authority of the City of Alameda Board of Commissioners, please contact (510) 747-4325 (TTY/TRS: 711) or vmondo@alamedahsg.org. Notification 48 hours prior to the meeting will enable the Housing Authority of the City of Alameda Board of Commissioners to make reasonable arrangements to ensure accessibility.
- Documents related to this agenda are available for public inspection and copying at the Office of the Housing Authority, 701 Atlantic Avenue, during normal business hours.
- Know Your RIGHTS Under The Ralph M. Brown Act: Government's duty is to serve the public, reaching its decisions in full view of the public. The Board of Commissioners exists to conduct the business of its constituents. Deliberations are conducted before the people and are open for the people's review. In order to assist the Housing Authority's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the Housing Authority accommodate these individuals.





Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

DRAFT MINUTES

REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA HELD WEDNESDAY MAY 15, 2019

The Board of Commissioners Closed Session began at 6:30 p.m.

ROLL CALL - Board of Commissioners

Present: Commissioner Chair Tamaoki, Commission Vice Chair McCahan, Commissioner Kay, Commissioner Kurrasch, and Commissioner Weinberg

Absent: Commissioner Hadid and Commissioner Rickard

The Board of Commissioners meeting was called to order at 7:05 p.m.

PLEDGE OF ALLEGIANCE

1. ROLL CALL - Board of Commissioners

Present: Commissioner Chair Tamaoki, Commission Vice Chair McCahan, Commissioner Kay, Commissioner Kurrasch, and Commissioner Weinberg

Absent: Commissioner Hadid and Commissioner Rickard

2. Public Comment on Closed Session

None

3. Closed Session – 6:30 p.m. – Adjournment to Closed Session to Consider:

3-A. Closed Session pursuant to Government Code Section 54956.8, Conference with Real Property Negotiators. Property: Assessor’s Parcel Numbers 74-430-1-1; Authority Negotiators: Vanessa Cooper and Kathleen Mertz; Negotiating Parties: Sam Koka and Michelle Koka, respectively; Under Negotiation: Price and Terms of Payment

3-B. Closed Session pursuant to Government Code Section 54956.8, Conference with Real Property Negotiators. Property: Assessor’s Parcel Numbers 70-184-15; Authority Negotiators: Vanessa Cooper and Kathleen Mertz; Negotiating Parties: David



- 4. Adjournment of Closed Session – 7:03 p.m.
- 5. RECONVENE REGULAR MEETING – 7:05 p.m.
- 6. Announcement of Action Taken in Closed Session, if any.

Chair Tamaoki reported that the Board gave direction to staff.

- 7. Public Comment (Non-Agenda)

None

8. CONSENT CALENDAR

- Consent Calendar items are considered routine and will be approved or accepted by one motion unless a request for removal for discussion or explanation is received from the Board of Commissioners or a member of the public.

Items accepted or adopted are indicated by an asterisk.

Commissioner Kay commented on the reposting of the Deputy Executive Director and Director of Finance positions and asked if staff has an understanding of why AHA is not getting a response to the recruitments. Ms. Vanessa Cooper, Executive Director, explained that there is a tight job market for the Director of Finance position because many candidates are moving to the private market and several public agencies are recruiting for the same position, but AHA is moving ahead and has interviews scheduled. The Deputy Executive Director position has been reopened and applications have been received with round one interviews scheduled in the beginning of June and round two interviews towards the end of June.

Vice Chair McCahan commented on item 8-D regarding the Boys and Girls Club and expressed that he wants the product to be advertised so families can take advantage of this excellent program. Ms. Cooper commented that the opportunity to offer this program for free to families is tremendous and this year’s summer interns can market the program. Chair Tamaoki reiterated the positivity towards the Boys and Girls Club relationship and also congratulated staff on the great job working with Habitat for Humanity on the North Housing project.

Commissioner Kurrasch moved to accept the motion and Vice Chair McCahan seconded motion. The motion passed unanimously:

Yes:	5	Commissioner Chair Tamaoki, Commission Vice Chair McCahan, Commissioner Kay, Commissioner Kurrasch, and Commissioner Weinberg
------	---	---

Absent:	2	Commissioner Hadid and Commissioner Rickard
---------	---	---

- *8-B. Accept the Monthly Overview Report for Operations/H.R./I.T.
- *8-C. Accept the Monthly Overview Report for the Housing Programs Department
- *8-D. Approve Five Year Grant Agreement with the Boys and Girls Club of Alameda Effective July 1, 2019 through June 30, 2024 with a Total Not to Exceed Amount of \$130,000 (\$20,000 for the First Year, \$25,000 per Year for the Subsequent Two Years and \$30,000 per Year for the Final Two Years)
- *8-E. Accept the Clarification Memo for the Previously Approved Payment Standard Decrease for the Section 8 Housing Choice Voucher program, and Payment Standard increase for Project Based Vouchers to the HCV Payment Standard effective June 2, 2019
- *8-F. Accept the Monthly Overview Report for the Rent Stabilization Program
- *8-G. Accept the Monthly Overview Report for Property Operations
- *8-H. Accept Update on the Independence Plaza 504/ADA Upgrade
- *8-I. Accept the Monthly Overview Report for Housing & Community Development
- *8-J. Accept the Monthly Development Report for Everett Commons
- *8-K. Accept the Monthly Development Report for Rosefield Village
- *8-L. Accept the Monthly Development Report for North Housing
- *8-M. Accept the Budget Variance Report for February 28, 2019
- *8-N. Accept the Quarterly Investment Report for Period Ending March 31, 2019

9. AGENDA

- 9-A. Accept Memo Regarding the Reconciliation of AAHC Property Purchase

Ms. Cooper explained that the AAHC Property Purchase is a year in and everything is working smoothly and the first audit has been completed. The Board did not have any questions, and Ms. Kathleen Mertz, Director of Housing and Community Development, added that this memo is a technical cleanup. Commissioner Kurrasch commented that it is good to keep things separate.

Commissioner Weinberg moved to accept the motion and Commissioner Kay seconded motion. The motion passed unanimously:

Yes: 5 Commissioner Chair Tamaoki, Commission Vice Chair McCahan, Commissioner Kay, Commissioner Kurrasch, and Commissioner Weinberg

Absent: 2 Commissioner Hadid and Commissioner Rickard

10. ORAL COMMUNICATIONS, Non-Agenda (Public Comment)

Mark Morales, Branch Director of the Boys and Girls Club, came before the Board and provided a presentation on the Club and its use by AHA. Ms. Cooper thanked Mr. Morales for all of the wonderful work the Boys and Girls Club does for families and commented on the importance of partnerships between AHA and programs such as the Boys and Girls Club.

Commissioner Kay asked if there has been any effort to work with the senior community with regards to volunteering and working with the kids. Mr. Morales explained that flyers have been given to the Mastic Senior Center asking for volunteers to come work with the kids and when they do get volunteers, the Club allows the seniors to work in an area that they are comfortable with, giving the example of a past sewing class. Mr. Morales stated that the Boys and Girls Club is always open and will gladly take volunteers. Ms. Cooper commented that AHA can put flyers out at Independence Plaza and the Board thanked Mr. Morales for his presentation.

11. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

Ms. Cooper announced that nominations for the Chair and Vice Chair positions for the 2019-2020 year will be an agenda item at the August meeting. Ms. Cooper asked that any nominations be given to her directly so a committee can be created if needed and/or a proposal can be prepared for the Board. Ms. Cooper also commented that it is anticipated that the July regular Board of Commissioners meeting will be canceled, but it is unclear if staff will have items which need to come before the Board for approval, so this determination will be made closer to July.

12. ADJOURNMENT

There being no further business, Chair Tamaoki adjourned the meeting at 7:25 p.m.

Vanessa M. Cooper
Executive Director/Secretary

Kenji Tamaoki, Chair
Board of Commissioners



Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Janet Basta, Director of Human Resources and Operations

Date: June 19, 2019

Re: Accept the March Monthly Overview Report for Operations, H.R., and I.T.

BACKGROUND

This memo provides a high level overview of agency activities in the prior month for agency Operations, Human Resources, and IT.

Human Resources and Operations

A summary of unfilled positions that are on the Schedule of Authorized positions is presented below. Positions are listed by department, and information about current and recent recruitments is included, including any positions on the current Schedule of Authorized Positions that Management is electing not to fill or that have been outsourced.

<u>Department</u>	<u>Position</u>	<u>Number of Vacant Positions</u>	<u>Recruitment Status</u>	<u>Other Updates</u>
Administration	Deputy Executive Director	1 FTE	In interview process	
	Management Analyst	1 FTE	In reference check phase	
Finance	Director of Finance	1 FTE	Position filled	Candidate to start in late June
	Accounting Specialist	1 FTE	Will start recruiting in June	One additional position opened due to turnover



Housing Programs	Housing Assistant	1 FTE	Position filled	Candidate to start early June
Property Operations	Housing Specialist II	1 FTE	In reference check phase	
	Maintenance Supervisor	1 FTE	Begin recruitment in June; use outside recruiter	
	Resident Manager (Parrott Village and Gardens)	1 FTE	In interview process	Low response to recruitment
	Resident Manager (Eagle)	.25 FTE	Outsourced to John Stewart beginning February 2019	Position will not be filled internally
Housing and Community Development	Asset Manager	1 FTE	Position filled	Candidate to start early June
Rent Stabilization Program	Program Specialist	1 FTE	In interview process	

Summary: Total FTE's approved for FY 2019: 56.63
 Number of vacancies: 7.25
 Number of active recruitments: 5.0

Several work spaces are being reconfigured to allow for extra seating or to upgrade existing space for consistency with other work areas. Management will continue to work on reconfiguring or rebuilding some spaces in the finance department and potentially the maintenance office/garage area in order to have suitable work areas for all positions, including Director level positions.

AHA is continuing to experience an uptick in absences, especially related to leaves of absence, some of which are longer term than expected and/or were unanticipated. Temporary staff are continuing to be utilized to fill gaps, where appropriate, so normal operations can proceed. Even when skilled temporary staff are available, significant training time is often still required to orient temporary staff to AHA procedures, adding to the demands on supervisor and staff time.



Information Technology/Administration

The AHA has purchased an add-on to our website to monitor it for compliance with the Americans with Disabilities Act (ADA) by ensuring that it meets the Web Content Accessibility Guidelines (WCAG). The new program will run periodic checks of the website and identify any areas out of compliance. Staff can then correct these areas by following the suggestions of the program or making changes to the content. Staff is working to set-up the implementation of the program and to get the website compliant.

Staff also decided to move forward on Procure to Pay offered through Yardi. This includes four modules that may all be implemented or implemented in stages. Staff will implement PayScan, which is the module that allows for automation of receiving and approving invoices. Currently, the invoice process is a paper one where invoices are received, stamped, and forwarded in an envelope to staff to review for correctness. In some cases, there are multiple levels of approval/review needed, so the folder is passed from one employee to another. This system will allow workflows to be created with different approval routes in a paperless process. Upon receipt, the invoices will be scanned into Yardi and a copy will be always available to staff without fear of it being misplaced. The second module to be implemented will be MarketPlace. This is an online procurement system through Yardi. It allows you to use vendors that Yardi has procured and obtain the lowest possible pricing or to place the AHA's vendors in the system. Staff will then be able to browse an online catalog and select items to be placed in a cart. Upon checkout, the items in the cart will be converted into a Purchase Order in Yardi and will follow the normal workflow that is currently in place. Upon the last approval being given, MarketPlace will then order the items. The invoice, upon receipt, will then feed into PayScan and staff can identify it and assign the proper workflow. This will help streamline procurement and allow staff to quickly get the pricing from multiple vendors for the same items to ensure competitive pricing. The third module included in this is an online system for vendors. (It does not include landlords as that is a separate module of Rent Cafe.) VendorCafe allows vendors to update contact information and view the status of payments for submitted invoices. The fourth module requires additional cost and is not something staff is looking at implementing at this stage. It turns the process of cutting checks over to Yardi. Staff is excited about the three new modules and the streamlining this will allow the Agency.

A new IT Summary Report of IT activity, including service tickets fulfilled by our 3rd party vendor, Techordia, will be included in this overview. One part of the report indicates the type of requests that were received by category, so below is a summary of what types of requests are in each category.

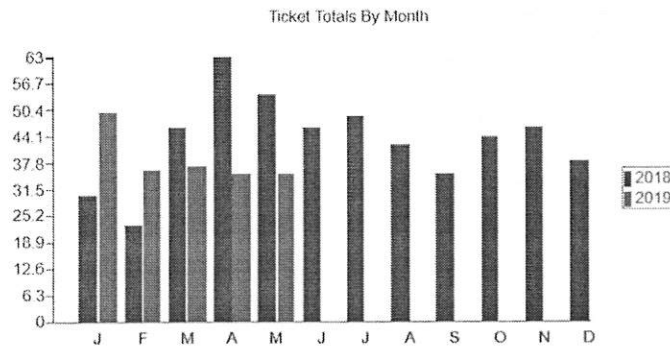
- Access rights: Permissions granted to staff to either view, read and/or write contents of a file/system or an update/change to a password to obtain access to a system.



- **Hardware:** Relocation of staff workspace, physical installation of IT equipment, cellphone maintenance and the ordering IT equipment/supplies.
- **Software:** Server updates, installation of computer programs and troubleshooting of software, including the Microsoft Office Suite.
- **On/Off boarding:** Orientation of new staff to workstation, including a walk-through of new log-ins and agency devices and software. Terminating access to staff separating from the AHA.
- **On-Site Visits:** Bi-weekly visits to AHA and managed properties to assist with on-site troubleshooting tasks.

Techordia Monthly Summary Report	
Period from: 04/01/2019 to 04/30/2019	
Type of Service Request	Number of Tickets
Access rights	5
Hardware	10
Software	9
On/Off Boarding	2
On Site Visits	9
TOTAL:	35

Overall the service tickets received this month have been routine in nature. This month, there were a number of tickets related to the ZIX encryption software which quarantined e-mails from reaching the staff due to the security settings on the system. The average response time for all tickets was about 40 minutes. As of 5/22/2019, there have been 193 tickets this year and, at that time, there were 26 open tickets. Below is a chart of tickets for year 2018 versus 2019.



RECOMMENDATION

Accept the June Monthly Overview Report for Operations, H.R., and I.T.

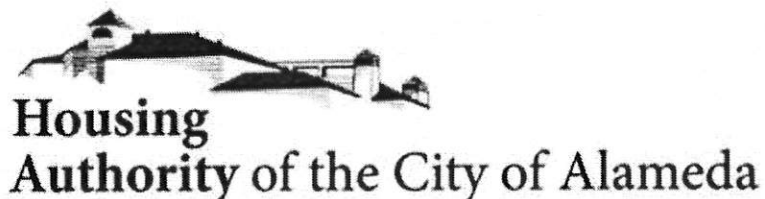
Respectfully submitted,



Janet Basta
Director of Human Resources and Operations

JCB/TMSC





PHONE (510) 747-4300
 FAX (510) 522-7848
 TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Lynette Jordan, Director of Housing Programs

Date: June 19, 2019

RE: Accept the Monthly Overview Report for the Housing Programs Department

BACKGROUND

This memo provides a high-level overview of Housing Programs Department (HPD) activities for the prior month.

Funding Update

AHA received \$2,591,307 from HUD for the month of May to cover Housing Assistance Payments (HAP) disbursements of \$2,500,461 to landlords. Each month AHA continues to project future HAP expenses by utilizing the two-year tool. In April a review of the two-year tool indicates AHA will have projected HAP reserves of \$2,146,244 by December 2019. The AHA must have utilized at least 95% of its HAP funds to receive full points for SEMAP, but this amount of reserves does not meet that threshold. Therefore, staff made the following recommendations to the Executive Director to increase utilization of HAP funds:

- Issue Vouchers
- Absorb Port-in vouchers
- Increase the Payment Standards

The Executive Director approved all the lease-up efforts and staff have begun issuing 150 vouchers in May, absorbed port-in vouchers effective June 1, 2019, and increased the PBV payment standards to be the same as the HCV program. Staff will continue to monitor AHA leasing efforts and make any further recommendations needed.

Online Recertification Training Sessions Set for Summer

The Housing Authority of the City of Alameda introduced an online recertification platform called Rent Café to a select number of participants in January 2019. This online system allows AHA participants to complete annual recertifications online on cell phones, tablets, laptops, or home computers. Participants are also able to upload proof of income, assets, or other recertification documents directly to the portal. In order to



Honorable Chair and
Members of the Board of Commissioners

June 19, 2019
Page 2 of 3

support our participants with the new process AHA will hold training sessions at the following locations:

June 18, 2019

Anne B. Diament Plaza, 920 Park St., Alameda
• 9:00–10:30 a.m. • 11:00 a.m.–12:30 p.m.
• 1:45–3:00 p.m. • 3:15–4:30 p.m.

July 25, 2019

Independence Plaza, 703 Atlantic Ave., Alameda
• 9:00–10:30 a.m. • 11:00 a.m.–12:30 p.m.
• 1:45–3:00 p.m. • 3:15–4:30 p.m.

August 28, 2019

Independence Plaza, 703 Atlantic Ave., Alameda
• 3:00–4:30 p.m. • 5:00–6:30 p.m.

September 17, 2019

Independence Plaza, 703 Atlantic Ave., Alameda
• 9:00–10:30 a.m. • 11:00 a.m.–12:30 p.m.
• 1:45–3:00 p.m. • 3:15–4:30 p.m.

HPD STATISTICS

Statistics	March	April	May
Annual Re-examinations Processed	Due: 124 Completed:116	Due: 140 Completed:128	Due: 125 Completed:120
Rent Increases	Due: 84 Completed:84	Due:112 Completed:106	Due: 40 Completed: 34
Interim Re-examinations Processed	Due: 103 Completed: 89	Due: 64 Completed: 40	Due: 96 Completed:62
HQS Private Landlord Inspections Conducted Pass rate %	Private LL: 17 Pass Rate:59%	Private LL: 28 Pass Rate: 50 % PBV Stargell: 9 Pass Rate: 100%	Private LL: 45 Pass Rate: 49% Breakers: 15 Pass Rate: 100%
HQS in AHA Owned units Pass rate	Zero AHA Units	Zero AHA Units	IP: 173 Units Pass Rate: 74%



Honorable Chair and
Members of the Board of Commissioners

June 19, 2019
Page 3 of 3

VOUCHER ISSUANCE AND LEASE UP DATA

Statistics	March	April	May
Section 8 Continued Movers seeking housing	10	8	8
Port-in voucher holders seeking housing	5	5	1
Voucher holders ported out and seeking elsewhere	5	5	2
Total voucher holders seeking housing	21	21	11
Non-Port Leased	HCV-2 PBV -2	HCV-1 PBV -0	HCV- 2 PBV - 0
Port Move-In Leased	1	1	2
Total vouchers leased up in month in Alameda	4	1	1
New Vouchers Issued	0	0	10
New VASH Issued	0	0	0

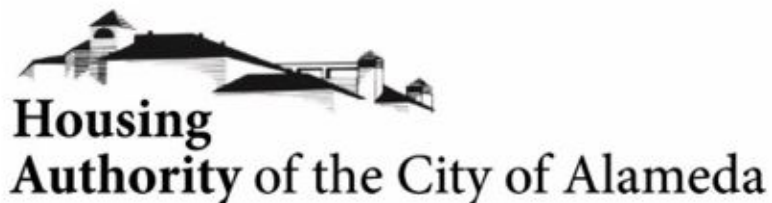
RECOMMENDATION

Accept the monthly overview report for the Housing Programs Department.

Respectfully submitted,

Lynette Jordan
Director of Housing Programs





PHONE (510) 747-4300
 FAX (510) 522-7848
 TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Jennifer Kauffman, Management Analyst

Date: June 19, 2019

Re: Accept the June Monthly Overview Report for the Rent Stabilization Program

DATA

The monthly reports for the Rent Stabilization Program are available at www.alamedarentprogram.org. For outcomes of submissions reviewed, please see the full report available online.

	February	March	April
Rent increase submissions	5	36	22
Termination of tenancy submissions	7	6	7
Capital Improvement Plan submissions	0	0	1
Number of RRAC meetings	2	1	2
Number of cases reviewed by RRAC each month	4	2	6

CITY COUNCIL UPDATE

On May 21, 2019, the City Council introduced an Ordinance to eliminate the grounds for a landlord to terminate a tenancy in the private rental market for “no cause”. Adoption [second reading] is expected on June 4th with the effective date following on July 5, 2019.

Additional amendments to the Rent Stabilization Ordinance are anticipated to be reviewed by the City Council on July 2, 2019.

Honorable Chair and
Members of the Board of Commissioners

June 19, 2019
Page 2 of 2

ADMINISTRATIVE UPDATE

The Rent Stabilization Program conducts all business meetings and client relations at the main 701 Atlantic Avenue location. However, staff use an off-site office for daily activities. Staff has signed an extension to continue the lease at the off-site location for an additional 12-month term, which extends the lease through September 2020 at \$5,829 monthly rate for the year.

RECOMMENDATION

Accept the Monthly Overview Report for the Rent Stabilization Program.

Respectfully submitted,



Jennifer Kauffman
Management Analyst
Rent Stabilization Program





Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners
From: Lisa Caldwell, Director of Property Operations
Date: June 19, 2019
Re: Accept the Monthly Overview Report for Property Operations

BACKGROUND

This memo provides a high-level overview of the Property Operations Department's activities for the month of May 2019.

DISCUSSION

VACANCY – May

Lease up coordination between the Property Management Department and the Housing Programs Department is ongoing in order to fill vacancies as soon as possible. Three applicants are processed at a time for each vacancy in order to fill vacancies as quickly as possible.

Property	Unit #	Vacancies End of May	Notice to Vacate Pending	Lease Pending	Rate
Anne B. Diament Plaza	65	0	0	0	0%
China Clipper Plaza	26	3	0	1	12%
Esperanza	120	4	0	2	3%
Independence Plaza	186			7	7%
Parrot Village	50	2	0	2	4%
Combined Smaller Sites *	41	4	0	1	10%
Total	488	26	3	13	5%

*Lincoln House (4), Lincoln/Willow (5), Parrot Gardens (8), Senior Condos (7), Sherman Street (9), Stanford House (4), Paru Street (1) and Mulberry Townhomes (3).

The total unit count above includes the five (5) manager units located at Anne B. Diament Plaza, Esperanza, Parrot Village, Independence Plaza, and China Clipper.



At the end of May, there were thirteen (13) vacant units at Independence Plaza due to the 504/ADA upgrade rehabilitation work; these units are included in the vacancy numbers listed above. The first phase of this unit rehabilitation was completed in December and six (6) units were released for lease up and all of those units have been leased. The second phase of the ADA rehabilitation which included seven (7) units was released for leasing in March. All the units from the second phase have been leased. A further seven (7) units were released on May 30, 2019. Of these, two (2) have been preleased.

To ensure all vacancies are filled promptly staff is actively assisting transfers for senior disabled tenants in other properties and has outreached the waitlist. The waitlist for residents up to 80% AMI has now be exhausted. All AHA managed units without a Project Based Voucher (PBV) contract are listed on our website and posted in our lobby. Independence Plaza vacant units are now advertised via our website and posted in the lobby since the waitlist has been exhausted and we do not have plans at this time to re-open as it is not required. By advertising the units this way, it allows us to obtain applicants that meet the income requirements for Independence Plaza. Per prior Board action, the rents for new tenants at Independence Plaza will be \$1,308 (1 bedroom) and \$1,569 (two bedroom). Existing Independence Plaza tenants can transfer into the ADA units at their current rents if the bedroom count stays the same.

Also included in the vacancy numbers listed above are two (2) units at Sherman Street that have been taken offline in order to address ongoing plumbing issues between the two units. These two (2) units are included in the combined smaller sites.

Staff continues to identify upcoming units in the AHA portfolio to be offered to current qualified Rosefield Village tenants in order to assist in providing housing within Alameda. As of May AHA has housed eight (8) tenants from Rosefield within our portfolio; with three (3) more moves scheduled in June.

RENT COLLECTIONS – May

The collection rate was below 98% for Anne B. Diament, China Clipper and Independence Plaza. The rate was below 98% for Anne B. Diament due to two legal actions currently in process. The rate was below 98% for China Clipper due to three (3) vacancies at the property. The rate was below 98% for Independence Plaza due to the thirteen (13) vacancies due to the rehabilitation project.



Property	ABD	China Clipper	ESP	IP	Parrot Village	*All Other Sites	Total
				Tenant Rent Only			
Budgeted GPR	\$87,406	\$35,096	\$289,988	\$145,222	\$128,668	\$59,980	\$746,360
Collected	\$84,278	\$33,415	\$309,212	\$126,223	\$128,155	\$61,012	\$742,296
Collection Rate	96%	95%	107%	87%	100%	102%	99%

*Lincoln House (4), Lincoln/Willow (5), Parrot Gardens (8), Senior Condos (7), Sherman Street (9), Stanford House (4), Paru Street (1) and Mulberry Townhomes (3).

Property Management staff continues to work with Attorney Bill Ford on terminations of tenancy for non-payment of rent. Non-payers are sent monthly to Mr. Ford mid-month, in order to assist with collecting payment on their debts in full and/or entering into a signed payment plan. All households subject to termination are referred to our social services provider, LifeSTEPS, for assistance including budgeting and obtaining rental assistance. Where tenant households are also Section 8 Housing Choice Voucher (HCV) holders, the Section 8 staff have also conducted mandatory in person case management conferences to remind participants of their obligations under the HCV Program.

THIRD PARTY MANAGED SITES – The John Stewart Company (JSCO)

VACANCY – May

Property	Unit #	Vacancies End of May	Rate
Rosefield Village	53	25	48%
Eagle Village	36	1	3%
Littlejohn Commons	31	0	0%
Everett Commons	20	0	0%

At the end of May, twenty five (25) units at Rosefield were permanently offline due to the upcoming reconstruction and rehabilitation of the property. One of these units will be used as a manager's unit. As vacancies become available at other AHA owned sites, residents currently at Rosefield are offered these vacant units, where eligible, in order to accommodate as many current residents that want to remain housed in Alameda. The Relocation Plan and General Information and Non Displacement Notice (GIN) has been issued for the remaining tenants describing the need to move prior to the rehabilitation.

RENT COLLECTION –April

The financial reporting for properties managed by The John Stewart Company (JSCO) is one month behind AHA managed sites due to JSCO providing financial packets in the middle of each month for the prior month.

GPR - Budget vs. Collected

Property	Rosefield	Littlejohn Commons	Eagle Village	Everett Commons	Total
Budgeted GPR	\$82,137	\$47,737	\$77,380	\$39,357	\$246,611
Collected	\$48,999	\$47,646	\$82,684	\$39,351	\$218,680
Collection Rate	60%	100%	107%	100%	89%

RENT INCREASES

Rent increases for 2019 continue to go out monthly. On January 1, 2019, the Project Based Voucher PBV payment standard for all properties (with the exception of Independence Plaza) was put in place for 2019 rent increases. Effective June 2, 2019 there was a change and instead of using two separate payment standards for Housing Choice Vouchers (HCV) and Project Based Vouchers (PBV) AHA decided to return to one payment standard for both programs. This change was Board approved in the May 15, 2019 board meeting. These new amounts will be used for all rent increases issued after June 2, 2019. The increase should not affect the tenant's portion unless the household is residing in an unassisted unit (which often is a result of being over income for assistance) or are over housed (i.e. have an extra bedroom outside of their approved voucher size). All those who are over housed and have a tenant based voucher and have already or will be offered an opportunity to move to the correct sized unit when available, provided they are in good standing with AHA. The rent increase notices are provided 60 days prior to the effective date of the increase.

The John Stewart Company issued rent increase notices for Rosefield Village and Eagle Village. These increases used the Housing Choice Voucher (HCV) payment standard and are effective June 1, 2019. The increase should not affect the tenant's portion unless the household is residing in an unassisted unit (which often is a result of being over income for assistance) or are over housed (i.e. have an extra bedroom outside of their approved voucher size).

MAINTENANCE

The annual HQS inspections for FY 2018-2019 have been completed for all AHA managed sites. HQS inspections for Independence Plaza were completed in May with a 74% pass rate. Staff is working on corrections needed to ensure the remaining units pass HQS within 30 days of the initial inspections. All other AHA managed sites have passed the annual HQS inspection.

The maintenance staff has also been busy preparing vacant units for leasing, handling daily routine maintenance requests, and performing emergency work orders as needed.

The work order report below shows the work orders completed calendar year to date.

Work Order Month - 2019

Property	Unit #	May 2019	April 2019	March 2019	February 2019	January 2019	Total
AHA Office	N/A	16	9	12	11	18	66
Anne B. Diamant	65	14	13	14	12	19	72
China Clipper Plaza	26	8	12	9	6	24	59
Esperanza	120	36	30	51	72	115	304
Independence Plaza	186	133	186	65	58	45	487
Lincoln House	4	2	4	2	3	1	12
Lincoln Willow Apartments	5	1	1	3	3	4	12
Parrot Gardens	8	1	0	2	6	2	11
Parrot Village	50	17	27	28	22	22	116
Senior Condos	7	0	0	4	1	2	7
Sherman Street	9	0	4	5	6	3	18
Stanford House	4	0	1	0	0	1	2
Detached Homes	4	0	1	0	1	0	2
Total	488	228	288	195	201	256	1,168

CAPITAL PROJECTS

See separate Independence Plaza 504/ADA Upgrade Update memo.

FINANCIAL IMPACT

Report only, no financial impact.

RECOMMENDATION

Accept the monthly overview report for Property Operations.

Respectfully submitted,



Lisa Caldwell
Director of Property Operations

VMC/all



Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners
From: Mike Billington, Project Manager
Date: June 19, 2019
Re: Accept Update on the Independence Plaza 504/ADA Upgrade

BACKGROUND

In March 2017, staff received direction to proceed with efforts to renovate 20 units, common area entrances, parking, and various paths of travel at Independence Plaza (IP) and the main Housing Authority office. The underlying purpose of the project was to improve resident quality of life and support accessibility to the community and tenants.

After the standard RFP process, YHLA Architects was selected as the project architect. YHLA studied the property, the units and the community layout, and consulted with staff on scope, unit selection, and community programs. To streamline the project and reduce costs, units were selected for renovation by vertical stacks. Stacks were chosen so that the renovated units were dispersed throughout the community. Units were also chosen by size – the ratio of renovated one to two bedroom units matched the overall ratio of one to two bedroom units at Independence Plaza.

Upon completion of the project manual, a permit was secured in April 2018. The project was then put out to bid in May 2018. Two bids were received and reviewed. Fine Line Construction was awarded the project.

In June 2018 the Board authorized the Executive Director to negotiate final terms and execute a construction contract with a project budget not to exceed \$3.5 million for accessibility upgrades to 20 units and various common area improvements at Independence Plaza.

DISCUSSION

Construction began in October 2018. Phase one (1), which included six (6) units, was completed in early December 2018. Phase two (2), which included seven (7) units concluded in early March 2019. And phase three (3), which included the last seven (7) units concluded on June 7, 2019. The site work, which included the parking lot and sidewalk upgrade, has also been mostly completed. A significant amount of work on the ADA doors remains to be done. Staff has identified and reported punch list items to the



contractor and is working with General Counsel to close out the project. All permits have been closed.

Staff has also been informed that there will be additional work and costs needed to implement a new intercom system so that the ADA doors, fobs and paddles, included in the base scope, can be made fully operational. The existing intercom system is not compatible with current ADA door components. A new bid process will be conducted and a specialized door entry system provider will be selected to complete the work. Staff will be prioritizing this project over the summer.

As of this report, the project is approximately 95% complete.

FINANCIAL REVIEW

To date the project has yielded thirty-one (31) change orders for a total of \$315,662, which accounts for approximately 145% of the construction contingency. The revised contract cost as of today is \$2,615,662. To date seven pay applications have been processed for a total expenditure of \$2,332,775.

Below, for your review, is the Budget and Cost Summary. Please note that Support Services, such as relocation costs, were substantially less than budgeted, while construction administration required additional funding, primarily due to the need for additional architectural, engineering, legal and consulting services.

Budget & Cost Summary as of 6/5/2019

Description	Budgeted	Anticipated Actual
Pre-Construction and C.A.	\$89,572.92	\$128,944.80
Support Services	\$336,954.00	\$87,140.00
Construction	\$2,605,000.00	\$2,615,662.93
Total Project Costs	\$3,031,526.92	\$2,831,747.73
Board Approved Project Budget	\$3,500,000.00	

RECOMMENDATION

Accept update on the Independence Plaza 504/ADA upgrade.

Respectfully submitted,



Mike Billington
Project Manager





Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Kathleen Mertz, Director of Housing and Community Development

Date: June 19, 2019

Re: Accept the Monthly Overview Report for Housing & Community
Development

BACKGROUND

This memo provides an overview of the Housing and Community Development departmental activities for the prior month.

DISCUSSION

Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME)

June 30, 2019 is the end of the current CDBG program year. Staff is working with all current year grantees to submit final draw requests in order to close out the current fiscal year and to facilitate the preparation of the year-end financials.

July 1, 2019 is the start of the next program year for CDBG and HOME funds. Staff has begun to develop contracts, conduct the necessary environmental reviews and ensure compliance with HUD procurement requirements so that the social service agencies will be prepared to offer services on July 1.

Two separate departments of HUD have announced plans to conduct monitoring visits in July 2019. The monitoring will cover various CDBG projects that have been funded or completed since July 1, 2015.

Inclusionary and Below Market Rate (BMR) Programs

Staff has completed processing the Down Payment Assistance loan amendments. The Assumption and Assignment Agreements of the paper equity notes for 16 BMR units at Alameda Landing and 16 BMR units at Marina Shores have been routed to the City Attorney's office for signature.

Island City Development

The Housing Authority previously made two predevelopment loans to Island City Development (ICD) on behalf of two development projects: North Housing and Rosefield. The loan balance and project details are discussed in the attached project specific



reports. Additionally, staff have requested an increase to the predevelopment loan for Rosefield Village, the details of which are discussed in the separate board report. Staff received confirmation of the receipt of a NAHRO Award of Merit for Littlejohn Commons.

Affordable Housing Project Pipeline

Everett Commons – A separate report on the project is attached.

Rosefield Village – A separate report on the project is attached.

North Housing – A separate report on the project is attached.

Staff continues to evaluate potential real estate development and acquisition opportunities throughout Alameda as they become available.

Asset Management

A new Asset Manager has started as of June 3. Staff are focused lender reporting and year end close out of the 12/31 entities – Island City Development, Sherman and Buena Vista LP, and Everett and Eagle LP.

RECOMMENDATION

Accept the monthly overview report for Housing & Community Development.

Respectfully submitted,



Kathleen Mertz

Director of Housing and Community Development





Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners
From: Richard Yoshida, Project Manager
Date: June 19, 2019
Re: Accept the Monthly Development Report for Everett Commons

BACKGROUND

The Housing and Community Development Department provides monthly reports on projects under construction where either AHA or Island City Development (ICD) is acting as developer and provides performance guarantees.

The Everett Commons project includes the new construction of 20 units located at 2437 Eagle Ave. ICD is the developer. Construction funds were secured at the loan closing on June 29, 2017. Construction of the project started on July 7, 2017. The project received a Final Certificate of Occupancy on December 20, 2018 and was fully leased by December 31, 2018. A Grand Opening Celebration was held on March 26, 2019.

Bedroom Size	1	2	3	4	Total
# Units	4	11	5		20

Total Development Budget: \$18.8 Million

Financing Sources: Low-Income Housing Tax Credits, HOME funds, AHA Loan, bank loan, Alameda County A1 Bonds, Project Based Vouchers

DISCUSSION

Construction is complete and all contractor costs have been paid. Staff is working with the auditor and a draft cost certification is under review. The Alameda County Board of Supervisors approved the County A1 Bond contract (\$1 million) on March 7, 2019. The loan has funded (net of retention) and will replace the AHA bridge loan that was executed at construction loan closing. Staff has also secured the second installment of the investor's capital contributions to pay down the construction loan. The financials from the property management company during the first three months of stabilization continue to be under review with the lender and investor. Once they are satisfied with



the performance, the project will convert to permanent financing. Permanent loan close is projected for June.

FINANCIAL IMPACT

The overall budget disbursements are summarized below. The "\$ Disbursed" column includes the current draw amount. The cost certification process is ongoing with the auditor. Although the hard cost contingency was not fully utilized, there were soft cost overruns related to architecture/engineering, construction management, permit fees, financing fees, and legal fees. Any line item cost overruns will be either absorbed by other line items in the Board approved master development budget or will come back to the board for approval once the draft cost certification is complete. The project is expected to fully utilize the budget.


	\$ Budget	\$ Disbursed	% Disbursed	\$ Balance
Land	2,234,900	2,215,833	99%	19,067
Hard Costs	12,134,079	12,074,456	99%	59,623
Soft Costs	4,440,826*	2,703,155	61%	1,737,671
Total	18,809,805	16,993,444	90%	1,816,361

* Includes \$1,695,000 expected to be disbursed at permanent loan closing

RECOMMENDATION

Accept the Monthly Development Report for Everett Commons.

Respectfully submitted,



Richard Yoshida
Project Manager





Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners
From: Danielle Thoe, Management Analyst
Date: June 19, 2019
Re: Accept the Monthly Development Report for North Housing

BACKGROUND

The North Housing Project is the redevelopment of approximately 12 acres of land at the former Alameda Naval Air Station (NAS) at the site known as Coast Guard Housing. The Housing Authority is leading the development under a homeless accommodation conveyance, alongside partners Alameda Point Collaborative (APC) and Building Futures. On February 21, 2016, the Board authorized acceptance of the Quit Claim deed for conveyance of the property to the Housing Authority. On June 5, 2018, City Council approved the resolution for transfer of the North Housing site to the Housing Authority.

In October 2018, the Board of Commissioners approved additional funding for the project, bringing the total pre-development and demolition budget to \$3.7 million. This is memorialized as a predevelopment loan to ICD for the project.

As the master planning process for North Housing began, staff led a number of community engagement initiatives. Documentation of that process can be found at www.northhousing.org and additional information about the North Housing Project can be found in previous Board reports.

DISCUSSION

North Housing successfully transferred to Housing Authority ownership on May 30, 2019.

Staff put out a proposal requesting quotes for fencing services and are currently undertaking proposal review. Staff submitted a Conditional Use Permit Application for fencing surrounding the North Housing site as required by the Planning Department. The application was approved at a public hearing before the City Zoning Administrator on June 3, 2019. AHA intends to have a vendor on-site installing fencing by the end of June.

While reviewing zoning code requirements for utilizing State Density Bonus, staff identified a previously unrealized section of City code, which includes a local density



bonus that provides for a greater density bonus than the state law. The state law allows for a maximum of 35% density bonus, while the local ordinance allows, under certain provisions, for a 60% density bonus. Staff believe that the North Housing site will qualify for this density bonus and, in an effort to provide the community with as much affordable housing as possible, are pursuing updates to the Development Plan Application. The chart below shows the number of units available at each density standard:

	Allowable Units	Units Above Base Zoning
Base Zoning 30 units/acre	362	-
State Density Bonus – 35%	489	127
Local Density Bonus – 60%	580	218

These changes to the Development Plan require additional time to submit the Development Plan Application. Staff will work to keep the site layout, building architecture, and relationship to the surrounding buildings as similar as possible while accommodating additional units. Staff anticipate that changes will take 30-60 days to complete and staff look to submit the Development Plan Application by end of summer 2019.

On June 3rd, staff hosted a design kick-off meeting with HKIT and partners, Alameda Point Collaborative (APC) and Building Futures (BF) to discuss initial project programming, population, building styles, and overall site layout. This discussion will inform an initial conceptual plan to be presented for feedback in early July.

FINANCIAL IMPACT

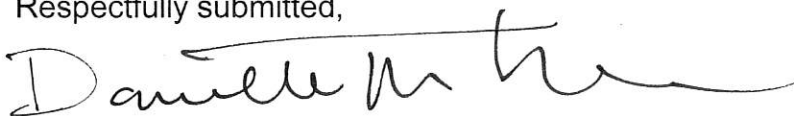
In total, the Board authorized a predevelopment loan in the amount of \$3,700,000 for costs associated with master planning, demolition, and predevelopment work for the first 90 units of permanent supportive housing.

<u>North Housing</u>	
Pre-development Loan from AHA	\$ 3,700,000
Usage through June 2019	\$ 307,900
Balance	\$ 3,392,100

RECOMMENDATION

Accept the Monthly Development Report for North Housing.

Respectfully submitted,



Danielle Thoe
Management Analyst





Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners
From: Kathleen Mertz, Director of Housing and Community Development
Date: June 19, 2019
Re: Accept the Low and Moderate Income Housing Asset Fund Report

BACKGROUND

On January 4, 2013 the Housing Authority became the Housing Successor for the Low and Moderate Income Housing Assets of the former Community Improvement Commission of the City of Alameda (CIC). In October 2013, California Senate Bill 341 was signed into law and this legislation established new reporting requirements for Successor Agencies. The reporting period corresponds to the Housing Authority's fiscal year. This annual report covers the period July 1, 2017 through June 30, 2018.

DISCUSSION

As a condition of becoming the Housing Successor, the Authority received cash and notes receivable owned by the prior CIC. The cash assets are held in a separate account, called the Low Moderate Income Housing Asset Fund (LMIHAF). The beginning and ending account balances of the LMIHAF are included within the Housing Authority's consolidated Annual Financial Audit Report. Each Housing Successor is allowed to utilize up to \$200,000 annually for administrative expenses including salary, professional services and overhead costs.

The attached Low and Moderate Income Housing Asset Fund Report for the year ending June 30, 2017 is hereby submitted to the Board of Commissioners. The report has also been posted on the Housing Authority website.

RECOMMENDATION

Accept the Low and Moderate Income Housing Asset Fund Report.

Respectfully submitted,


Kathleen Mertz
Director of Housing and Community Development

Attachment: Low and Moderate Income Housing Asset Fund Report





Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

Low and Moderate Income Housing Asset Fund Report Fiscal Year 2017-18

Introduction

The Housing Authority of the City of Alameda became the Housing Successor for the Low and Moderate Income Housing Assets of the former Community Improvement Commission of the City of Alameda (CIC) on January 5, 2012 per City of Alameda Resolution No. 14643. The CIC had previously been Alameda's redevelopment agency, until state law dissolved RDAs in 2012.

The Dissolution Act provided instructions for how redevelopment agency successors can utilize assets and set forth reporting requirements for annual and five-year reports to the state. The purpose of this report is to provide the governing body of the Housing Successor with an annual report on the housing assets and activities of the Housing Successor, in compliance with California Health and Safety Code Sections 34176.1 (Dissolution Law). The reporting period corresponds to the Housing Authority's fiscal year. This annual report covers the period July 1, 2017 through June 30, 2018.

I. Amount Deposited into LMIHAF:

(1) The amount the city, count, or city and county received pursuant to Section 34191.4 (b)(3)(A).

(2) The amount deposited to the Low and Moderate Income Housing Asset Fund (LMIHAF), distinguishing between amounts deposited pursuant to 34191.4 (b)(3)(B & C). Amounts deposited for other items listed on the Recognized Obligations Payment Schedule, and other amounts deposited.

Deposits to the LMIHAF for FY 2017-18.

Deposits	
Principal payments	\$1,000,000
Interest payments	\$0
Miscellaneous	\$32,748
ROPS	\$
Total Amount Deposited	\$1,032,748

II. Ending Balance in the LMIHAF:

A statement of the balance in the fund as of the close of the fiscal year, distinguishing any amounts held for items listed on the Recognized Obligation Payment Schedule from other amounts.

The ending balance at June 30, 2018 of the assets of the LMIHAF was \$17,088,387, of which \$0 was held for items listed on the ROPS.

III. Description of Expenditures from the LMIHAF:

A description of expenditures from the fund by category, including, but not limited to, expenditures (A) for monitoring and preserving the long-term affordability of units subject to affordability restrictions or covenants entered into by the redevelopment agency or the housing successor and administering the activities described in paragraphs (2 & 3) of subdivision (a).

Expenditures made during the fiscal year 2017-18 from the LMIHAF.

Total LMIHAF Expenditures	
Monitoring and Administration	\$200,000
Housing Development Expenditures	\$416,000
Total Expenditures for LMIHAF	\$616,000

The Housing Development expenditure includes the cash purchase of two Below Market Rate condominiums for eligible households at 50% of the Area Median Income.

IV. Statutory Value of Assets Owned by Housing Successor:

As described in 34191.1 (a)(1), the statutory value of real property owned by the housing successor, the value of loans and grants receivable, and the sum of these two amounts.

The chart(s) below reflect the statutory value of assets and notes held by the Housing Successor.

Value of Assets Owned by Housing Successor	
Loans/Notes Receivable	
Jack Capon Villa Loan	\$1,400,000
Stargell Commons Loan	\$2,000,000
Breakers at Bayport Loan	\$2,015,000
Alameda Islander Loan	\$8,600,000
Moore Loan	\$31,800
Nebeker Loan	\$31,800

Value of Assets Owned by Housing Successor cont.	
Tamiko Loan	\$23,600
Island City Development	\$300,000
Total Loans/Notes Receivable	\$14,402,200.00

V. Description of Transfers

A description of any transfers made pursuant to 34191.1(c)(2) in the previous fiscal year and, if still unencumbered, in earlier fiscal years and a description of and status update on any project for which transferred funds have been or will be expended if that project has not yet been placed in service.

The Housing Successor did not make any LMIHAF transfers to other Housing Successors pursuant to Section 34176.1(c)(2) during fiscal year 2017-18.

VI. Project Descriptions

A description of any project for which the housing successor receives or holds property tax revenue pursuant to the Recognized Obligation Payment Schedule and the status of that project.

The Housing Successor did not receive or hold property tax revenue pursuant to the ROPS for any of the Housing projects during fiscal year 2017-18.

VII Status of Compliance

For interests in real property acquired by the former redevelopment agency prior to February 1, 2012, a status update on compliance with Section 33334.16. For interests in real property acquired on or after February 1, 2012, a status update on the project.

No real property was transferred to the Housing Successor.

IIX. Description of Outstanding Obligations

A description of any outstanding obligations pursuant to Section 33413 that remained to transfer to the housing successor on February 1, 2012, of the housing successor's progress in meeting those obligations, and of the housing successor's plans to meet unmet obligations. In addition, the housing successor shall include in the report posted on its Internet Web site the implementation plans of the former redevelopment agency.

According to the Implementation Plan for the former redevelopment agency, no replacement housing obligations were transferred to the Housing Successor.

X. Senior Housing Test

The percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the same time period.

The table below reflects the ten-year period reviewed between July 1, 2008 and June 30, 2018.

Senior Housing Test	# of Units
Assisted Senior Rental Units	0
Total Assisted Rental Units	165
Senior Housing Test (%)	0%

XI. Excess Surplus Test

The amount of any excess surplus, the amount of time that the successor agency has had excess surplus, and the housing successor's plan for eliminating the excess surplus.

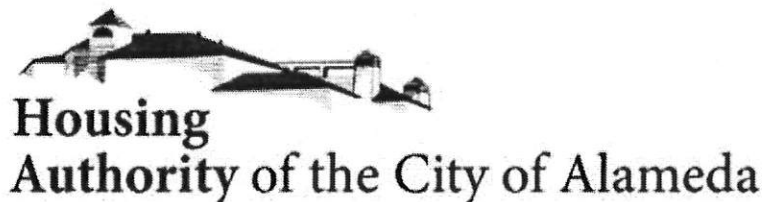
The excess surplus as of June 30, 2018 is \$0.

XII. An Inventory of Homeownership Units

An inventory of homeownership units assisted by the former redevelopment agency or the housing successor that are subject to covenants or restrictions or to an adopted program that protects the former redevelopment agency's investment of moneys from the Low and Moderate Income Housing Fund pursuant to 33334.3(f). This inventory shall include all of the following information:

- a) The number of those units.*
- b) In the first report pursuant to this subdivision, the number of units lost to the portfolio after February 1, 2012, and the reason or reasons for those losses. For all subsequent reports, the number of the units lost to the portfolio in the last fiscal year and the reason for those losses.*
- c) Any funds returned to the housing successor as part of an adopted program that protects the former redevelopment agency's investment of moneys from the Low and Moderate Income Housing Fund.*
- d) Whether the housing successor has contracted with any outside entity for the management of the units and, if so, the identity of the entity.*

No homeownership units were transferred to the Housing Successor.



PHONE (510) 747-4300
 FAX (510) 522-7848
 TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners
 From: Janet Basta, Director of Human Resources and Operations
 Date: June 19, 2019
 Re: Accept Revision to the Training and Travel Expense Procedures

BACKGROUND

The purpose of this memo is to request that the Board review the proposed procedures for Reimbursement of AHA-Related Training and Travel Expenses.

DISCUSSION

Periodically, various agency procedures are reviewed and updated based on administrative or operational needs, changes in government rules or guidelines, or other considerations deemed relevant to the issue at hand, such as budget or technology implications. This month, revised procedures for reimbursement of training and travel expenses are being brought to the Board for review. These procedures apply to employees and Board members who attend trainings or conferences, or otherwise travel on AHA-related business, and were last updated in March 2016.

These procedures have been revised to include information about the timelines required for submission of reimbursement requests, as well as the return of excess travel advance funds. These changes were made to ensure timely accounting of expenses, as well as to clarify the time beyond which reimbursements would be taxable.

The reimbursement limits for the daily per diem rate was also changed to align with the rates in the 2019 GSA guidelines, which include a reduced reimbursement for dinner. All other reimbursement limits remain the same.

FINANCIAL IMPACT

There is no anticipated financial impact of the implementation of these procedures.



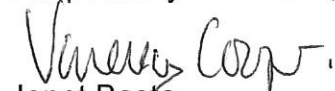
Honorable Chair and
Members of the Board of Commissioners

June 19, 2019
Page 2 of 2

RECOMMENDATION

Accept revision to the Training and Travel Expense Procedures.

Respectfully submitted,



Janet Basta
Director of Human Resources and Operations

JCB/VMC

Attachment: Reimbursement of AHA-Related Training and Travel Expenses



REIMBURSEMENT OF AHA-RELATED TRAINING AND TRAVEL EXPENSES

Purpose

To establish and define authorized business travel, training, and membership expenses incurred associated with conducting AHA-related business and to specify the procedures for reimbursement of officials and employees for their actual mileage, transportation, lodging, meals and other related expenses while attending conferences, training sessions, meeting, and other official AHA business.

These procedures cover Employees and Board Members who travel at AHA's expense.

Reimbursable Expenses

1. Registration Fees

- a. AHA will seek to budget annually for, and to provide appropriate training and professional development opportunities for its staff, within the limitations of its annual operating budget. Each year as part of the budget process each Director and supervisor is required to submit a training plan for their team/staff, detailing the proposed training, estimated costs and the proposed attendance.
- b. AHA will pay or reimburse in full for such registration fees as may be required for attendance at required or authorized conferences and meetings providing there are funds available for such an activity.
- c. All training requests must be submitted in advance using the Training, ~~Travel and Hotel~~ Request Form. Once completed by the employee, this form is signed by the supervisor and then submitted to the Executive Director for approval. It is the supervisor's responsibility to review the budget prior to submission and communicate in the request whether or not this is a previously budgeted request. If the request is not budgeted, the supervisor should provide a rationale for approval of the request.
- d. Where possible, training will be held on site or scheduled at a location where overnight costs do not need to be incurred.
- e. Training which is incorporated as part of an accepted job offer will be honored even though it may not have been budgeted for in advance. HR is responsible for budgeting (where possible) and arranging for that training, as well as mandatory training for all staff on fair housing, sexual harassment etc. and other agency-wide trainings that may be provided throughout the year.
- f. When a test is included with a training program, employees generally will be expected to take and pass any test associated with approved training. If they do not pass, a second opportunity to take the test (not necessarily to re-take the class) will be provided within 6 months or as soon as possible. Generally, the

REIMBURSEMENT OF TRAVEL EXPENSES

agency will not provide financial and/or time support for any additional tests or classes beyond two attempts of the same exam.

2. Transportation

- a. Employees are expected to exercise good judgment and choose the most economical, feasible means of transportation.
- b. Use of AHA vehicles for travel in connection with official AHA business will be encouraged whenever practical. (Note: Spouses accompanying an employee to a conference may not ride in an AHA vehicle.)
- c. Use of private, personal aircraft on AHA business is prohibited.
- d. An employee using a personal car for approved AHA business will be reimbursed at the current IRS rate. This rate per mile incorporates all costs incurred while operating such vehicles including gasoline, depreciation, insurance, and other incidental items; no other expenses may be claimed with the exceptions of parking and toll charges as described below.
- e. Mileage will not be paid for the portion equal to the employee's regular commuting mileage to and from home. Commuting mileage is mileage from the employee's home to the AHA office and vice versa. For example:

Total travel mileage incurred	100 miles
Commute to work 20 miles x 2	<u>- 40 miles</u>
Reimbursable mileage	60 miles

- f. Reasonable and necessary expenditures will be allowed for parking and toll charges while incurred in connection with official business-related travel.
- g. Air transportation expenses will be reimbursed at the economy class fare. Employees should plan ahead so that airline reservations can be made early enough to take advantage of lower airfares.
- h. If an employee elects to travel by personal car when it would be less expensive to travel by air or rail, the maximum allowance for mileage reimbursement will be the least expensive of the three forms of transportation.
- i. Expenses for ground transportation (airport limousine, bus, taxi, rideshare, airport shuttle) will be reimbursed if incurred as a necessary part of the officially approved travel.
- j. Employees are encouraged to explore available ground transportation options prior to renting a car and utilize the most economical option; if two or more employees are attending the same conference and a rental car is obtained, it is expected that

REIMBURSEMENT OF TRAVEL EXPENSES

- k. When two or more employees attend a local conference or training, they will generally be expected to carpool using an agency vehicle where feasible. Where the employee decides not to carpool (and carpooling is feasible), AHA will not be responsible for those additional costs.

3. Lodging

- a. Expenditures for lodging will be allowed when the situation necessitates the employee staying overnight. When a choice of feasible hotels is available, employees should reserve at a lower cost option and request a government or other discounted rate. Hotel and motel accommodations should be appropriate for the purpose of the trip and are reimbursable on the basis of actual expenditures. Fees for hotels should generally be within the accepted per diem rate for the city/area travelled to. Current per diem rate information can be accessed on the US General Services Administration website: <http://www.gsa.gov/portal/category/100120>.
- b. In the event there is an additional cost for a spouse or other non-AHA employee sharing the same room, then that cost is to be borne by the employee.
- c. In the event AHA is to be billed for the hotel or motel room, charges for incidental expenses (i.e., telephone calls of personal nature, room service, alcoholic beverage charges, etc.) are to be cleared from the bill at the time of departure.
- d. Other lodging-related expenses, such as parking fees, telephone, or fax or other business center services, when required in connection with official AHA business, will be reimbursed on the basis of actual expenditures.

4. Incidental Expenses

- a. Reasonable incidental expenses, such as tips, will be reimbursed on the basis of actual expenditures up to \$5.00 per day. Receipts are not required for reimbursement.

5. Meals

- a. Generally, employees are responsible for providing their own meals. When reimbursement is allowed, the cost of meals will be reimbursed based on either the per diem (if the employee stays overnight at AHA's cost) or actual costs per meal (for trips with no overnight stay) up to the GSA maximum allowed for each meal. Meals may be purchased and reimbursed only when conducting AHA business including:
 - i. When attending approved out-of-city conferences and trainings

REIMBURSEMENT OF TRAVEL EXPENSES

- ii. When directed to attend an approved AHA activity which requires an absence from an AHA place of work for more than 4 hours and does not include a meal
- b. Meal reimbursement may include tips, but may not include alcoholic beverages.
- c. Reimbursement for meals also will follow the following criteria:
 - i. If not gone over-night, actual costs and receipts for such expenditures are required. If it is not practical to provide receipts, state the reason when submitting the expense. Any meal purchases submitted must be within the individual meal limit amounts described below.
 - ii. If gone over-night at AHA's request, a daily per diem amount (tax and tip included) may be used. The per diem is the maximum amount that may be submitted for meals on a daily basis, and no receipts are required when using the per diem. If requesting reimbursement for a partial day, before or after an overnight, then only the per meal per diem amount will be available using the maximum allowable amount for each meal.
 - iii. The per diem for meals is based on the GSA per diem limits, currently \$~~61.00~~4 per day (tax and tip included). When the daily per diem is claimed and some meals are included in the registration, deductions should be made for any meal included using the following maximum allowable amount for each meal:

Breakfast	\$16.00
Lunch	\$17.00
Dinner	\$ 28 34.00
- d. The above limits should also generally be used when an employee is hosting an approved AHA activity, such as a training or meeting, or event for which a meal will be provided.

5. Reimbursement Procedure

- a. A Travel Expense Report must be prepared by the person claiming the expenditures, approved by the supervisor or Executive Director, and submitted promptly to the Finance Department. All expenses must be submitted no later than 60 days following the date(s) the expenses were incurred. If expenses are submitted after the 60 day time period, or submitted without proper receipts, the reimbursement is treated as wages and is subject to income and Medicare taxes.
 - i. Receipts are required ~~in~~for all expenditures for transportation tickets, hotel

REIMBURSEMENT OF TRAVEL EXPENSES

- ii. In the event that a receipt is missing, the employee must complete a Missing Receipts form, explaining why the receipt is missing.

6. Cash Advances

Cash advances for travel and other expenses in excess of \$100 will need to be submitted to the Department Director for approval and forwarded to Finance for processing at least two weeks in advance. Employees requesting such cash advance must submit a "Claim Form" and immediately upon return must file a full accounting of expenses. Any amount paid as a travel advance that is in excess of actual expenses incurred must be returned to AHA within 120 days after the expenses were incurred.

7. Authorization for Travel

- a. Travel within the greater Bay Area, by any mode of transportation, must be authorized by the employee's immediate supervisor.
- b. Travel within CA but outside the greater Bay Area, by any mode of transportation, must be authorized by the Department Director or his/her designee. The Executive Director must approve any overnight travel.
- c. Out of State travel must be authorized by the Board of Directors and the Executive Director.

8. Effective Date

The effective date of this procedure is June 19, 2019~~March 16, 2016~~.



Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Vanessa M. Cooper, Executive Director

Date: June 19, 2019

Re: Accept the Budget Variance Report for March 31, 2019

BACKGROUND

On June 20, 2018 the Board of Commissioners approved a one-year operating budget for all programs covering the fiscal year July 1, 2018 through June 30, 2019. A one-year budget was approved in order to harmonize the two-year budget cycle with the City of Alameda budget cycle. A one-year budget would set the AHA up for a new two-year budget to be presented for the period starting July 1, 2019 and ending June 30, 2021. Since fee income from the Memoranda of Understanding with the City of Alameda constitutes a key portion of the AHA budget, this harmonization will allow for better planning and fewer mid-cycle changes.

It is also important to note; the financial reports include four properties that have transferred ownership to Alameda Affordable Housing Corporation (AAHC). These properties are Anne B. Diament, China Clipper Plaza, Stanford House, and Lincoln-Willow Apartments. The AAHC financial statements will be presented for approval in a separate annual AAHC Board meeting. All members of the Board of Commissioners also serve as the Board of Directors of AAHC.

This high-level, Budget Variance Report covers preliminary unaudited financial operating results compared to the 2018-19 budget. Although the year-end financial data is accrued, the month-to-month financials are on a cash basis. The numbers are subject to change based on the final audit report.

DISCUSSION

Overview

Year-to-date variances are as follows: revenue is under budget by \$348,265 (1%), operating expenses are under budget by \$1,165,882 (4%), and net income (before depreciation) is over budget by \$2,541,616 (168%). Rosefield and Eagle Village income expenses are not fully incorporated, but will be included at year-end; these properties are managed by a third party and reports on income and occupancy are provided in the monthly overview report for Property Operations.



Operations Budget - Revenue

Rental income (Total Tenant Revenue) of \$8,152,519 is predominantly made up of Housing Assistance Payments (HAP) received for AHA units, the subsidy for Independence Plaza, and tenant rent received. HAP and tenant rent are slightly under budget for the year-to-date. The lower income is due in part to the number of vacancies at Independence Plaza during the 504/ADA rehabilitation, vacancies held elsewhere in the portfolio to relocate tenants from Rosefield, and some reduced HAP income due to abatements of units which have now been fixed. Occupancy is expected to improve over the coming months.

Other Income is \$1,080,726 (17% or \$156,000) more than the year-to-date budgeted revenue. This includes the developer fee from Littlejohn Commons. Construction has been completed and the developer fee will be retained at 90% by ICD (this amount was double counted in the ICD and AHA budgets but since the overall impact can be covered by AHA, a revised budget for 2018-19 will not be submitted). Additionally, professional service revenue which includes the Rent Program and HCD MOUs is under budget mainly due to the Rent Stabilization Program understaffing and a delay in receipt of funds from the City for both programs. The Rent Stabilization Program still has one vacant position which is currently in the recruitment process.

Administrative Fee income in HUD is over the year-to-date budget by \$57,658 (5%). The factors that affect how much Administrative Fee AHA receives are the proration percentage and the number of units leased. HUD provided an increase of 4% in the proration factor from 76% to 80% which accounts for this higher number. For the past several years, Administrative Fees from HUD have not fully funded the Housing Programs Department, and the Section 8 program has been subsidized by income from AHA properties.

Expenses

Net profit from operations (before depreciation) is \$3,358,949. This is \$2,541,616 (168%) under budget.

Total expenses are lower than the year-to-date budget by \$2,193,350 (7%). This is mainly due to the lower salary and benefit expenses, which are approximately 24% under budget due to vacant positions (see monthly overview report for Operations, H.R. and I.T.). Temporary expenses are on budget due to additional staff to assist with vacancies and a number of long-term staff absences.

Maintenance contracts are 33% below budget but are expected to increase in May and June as the larger properties complete HQS inspections and preventive maintenance. That said, as AHA has outsourced two properties to The John Stewart Company and the maintenance team is doing more of the maintenance work themselves. Staff expects to see a reduction in maintenance contract expense over the next year or so unless highly technical work is needed.



Honorable Chair and
Members of the Board of Commissioners

June 19, 2019
Page 3 of 3

Housing Assistance Payments (HAP) Pass-through

The Housing Assistance Payments (HAP) pass-through includes all the Housing Choice Voucher/Section 8, Shelter Plus, and Bessie Coleman (SRO) programs. Year-to-date HAP revenue is \$436,923 (2%) below the budget for Section 8 and slightly below for Shelter Plus and SRO as well. After a 12-month period of issuing no vouchers due to shortfall, staff are issuing regular and FUP vouchers. HAP payments to property owners are \$347,375 (1.5%) less than the year-to-date budget. Staff is working closely with HUD to monitor the HAP revenue and expenditure, and the federal budget process to ensure a sufficient cash flow for the program.

In terms of pass through to AHA, Section 8, Finance, and Property Operations staff meet monthly to ensure that payments to AHA for AHA owned properties are made accurately and on time. Staff is increasing contract rents at the sites, except Independence Plaza, to the new payment standards over 2019.

Statement of Net Position

The Housing Authority has adequate cash resources for operations.

OTHER ISSUES IMPACTING FINANCE DEPARTMENT

An offer has been accepted for Finance Director position. Two Accounting Specialists started in May and the new Controller has been on board since March 2019. One of our long time Accounting Specialists leaves this month after over 30 years with AHA. The third Accounting Specialist position is currently in recruitment. A full-time salaried CPA level temporary staff person is currently assisting in accounting. Nan McKay and Associates also continues to provide consulting and training services including HUD's monthly Voucher Management System (VMS) report and the annual Financial Data Schedule (FDS).

RECOMMENDATION

Accept the Budget Variance Report for March 31, 2019.

Respectfully submitted,



Vanessa Cooper
Executive Director

Attachments:

- Year to date financials budget to actual
- Balance sheet



6/4/2019 12:30 PM

Budget Comparison (with PTD)
 Period = Jul 2018-Mar 2019

Book = Accrual

	MTD Actual	MTD Budget	Variance	% Var	PTD Actual	PTD Budget	Variance	% Var
6999990								
INCOME								
7000000								
REVENUE								
7020000	0.00	-65,115.95	65,115.95	100.00	0.00	-586,043.55	586,043.55	100.00
TENANT REVENUE								
7020110	0.00	-7,447.43	7,447.43	100.00	0.00	-67,026.87	67,026.87	100.00
Vacancy Loss								
7020130	262,416.56	314,618.42	-52,201.86	-16.59	2,639,230.92	2,831,565.78	-192,334.86	-6.79
Tenant Rental Revenue								
7030000	5,227.00	1,056.25	4,170.75	394.86	12,756.08	9,506.25	3,249.83	34.19
Maintenance Charges								
7030040	450.00	0.00	450.00	N/A	3,668.00	0.00	3,668.00	N/A
Late Charges								
7030050	0.00	0.00	0.00	N/A	36,636.95	0.00	36,636.95	N/A
Miscellaneous Other Charges								
7030060	144,445.42	144,445.42	0.00	0.00	1,305,828.17	1,300,008.78	5,819.39	0.45
Tax Increment Payments from the City of Alameda								
7030100	447,627.77	524,387.22	-76,759.45	-14.64	4,200,088.77	4,719,484.98	-519,396.21	-11.01
Tenant HAP Subsidy								
7030110	0.00	-398.17	398.17	100.00	-68,644.00	-3,583.53	-65,060.47	-1,815.54
Vacancy Loss								
7030300	11,334.77	2,325.89	9,008.88	387.33	22,753.77	20,933.01	1,820.76	8.70
Commercial Rents								
7050000	871,501.52	913,871.65	-42,370.13	-4.64	8,152,518.66	8,224,844.85	-72,326.19	-0.88
TOTAL TENANT REVENUE								
7060000								
FEDERAL GRANTS								
7060060	28,589.73	31,215.25	-2,625.52	-8.41	257,782.86	280,937.25	-23,154.39	-8.24
Shelter Plus Care Revenue								
7069000	28,589.73	31,215.25	-2,625.52	-8.41	257,782.86	280,937.25	-23,154.39	-8.24
TOTAL FEDERAL GRANTS								
7100000								
OTHER INCOME								
7110010	0.00	633.73	-633.73	-100.00	122,257.07	5,703.57	116,553.50	2,043.52
Investment Income - Unrestricted								
7110011	0.00	4,187.02	-4,187.02	-100.00	202,507.86	37,683.18	164,824.68	437.40
Interest Income								
7110013	0.00	40.92	-40.92	-100.00	-23.23	368.28	-391.51	-106.31
Coupon/Interest/Dividend Income								
7110020	0.00	0.00	0.00	N/A	15,634.51	0.00	15,634.51	N/A
Interest on Equip. Reserve								
7110050	0.00	0.00	0.00	N/A	-592.78	0.00	-592.78	N/A
Investment Income- Restricted								
7110060	0.00	0.00	0.00	N/A	16,781.83	0.00	16,781.83	N/A
Interest - Replacement Reserve								
7110070	-2,101.92	0.00	-2,101.92	N/A	288,093.12	0.00	288,093.12	N/A
Other - Income								
7110075	2,140.09	2,288.91	-148.82	-6.50	16,404.26	20,600.19	-4,195.93	-20.37
Laundry Commission								
7110082	446.99	894.00	-447.01	-50.00	7,446.17	8,046.00	-599.83	-7.46
Land Fee/Ground Lease								
7110090	0.00	32,500.00	-32,500.00	-100.00	18,200.00	292,500.00	-274,300.00	-93.78
Other Miscellaneous Revenue								
7110092	46,787.97	61,000.00	-14,212.03	-23.30	389,479.08	549,000.00	-159,520.92	-29.06
Professional Service Revenue								
7150030	0.00	0.00	0.00	N/A	1,323.54	0.00	1,323.54	N/A
Miscellaneous Other Revenue								
7150070	376.56	1,094.00	-717.44	-65.58	3,215.06	9,846.00	-6,630.94	-67.35
Administrative Fee								
7159000	74,032.75	102,638.58	-28,605.83	-27.87	1,080,726.49	923,747.22	156,979.27	16.99
TOTAL OTHER INCOME								
8000000								
HUD GRANT								
8010000	2,558,860.00	2,540,153.16	1,293.16	-0.05	22,424,455.41	22,861,378.44	-436,923.03	-1.91
HUD Operating Grants								
8020000	137,783.00	135,141.68	2,641.32	1.95	1,273,933.00	1,216,275.12	57,657.88	4.74
Administrative Fees from HUD								
8020110	2,509.95	0.00	2,509.95	N/A	22,321.05	0.00	22,321.05	N/A
PORT-In Administrative Fees								
8030000	5,849.24	0.00	5,849.24	N/A	52,820.04	0.00	52,820.04	N/A
Administrative Fees Paid (PORT-Outs)								
8100120	2,673,303.71	2,675,294.84	-1,991.13	-0.07	23,667,889.42	24,077,653.56	-409,764.14	-1.70
TOTAL HUD GRANT								
8999000								
TOTAL REVENUE	3,647,427.71	3,723,020.32	-75,592.61	-2.03	33,158,917.43	33,507,182.88	-348,265.45	-1.04
9000000								
EXPENSES								
9000900								
OPERATING EXPENSES								
9100000								
ADMINISTRATIVE								
9110010	214,302.12	300,741.10	86,438.98	28.74	2,041,778.07	2,706,669.90	664,891.83	24.56
Administrative Salaries								
9110020	19,221.32	19,888.19	666.87	3.35	178,567.92	178,993.71	425.79	0.24
Temporary Help - Administrative								
9120000	0.00	3,526.99	3,526.99	100.00	22,254.00	31,742.91	9,488.91	29.89
Auditing Fees								
9130000	0.00	3,378.67	3,378.67	100.00	10,062.00	30,408.03	20,346.03	66.91
Outside Management Fees								
9150010	45,971.25	52,083.99	6,112.74	11.74	423,070.72	468,755.91	45,685.19	9.75
Admin Employee Benefits - Medical/Dental								
9150020	18,023.94	25,276.77	7,252.83	28.69	179,359.16	227,490.93	48,131.77	21.16
Admin Employee Benefits - PERS/PARS								
9150030	3,087.82	4,267.38	1,179.56	27.64	30,784.44	38,406.42	7,621.98	19.85
Admin Employee Benefits - FICA								
9150040	443.33	416.23	27.10	6.51	12,097.30	9,382.47	2,714.83	-28.94
Admin Employee Benefits - SUI								
9150050	0.00	0.00	0.00	N/A	0.88	0.00	-0.88	N/A
Admin Employee Benefits - EAP								
9150060	1,440.54	1,885.18	444.64	23.59	15,420.44	16,966.62	1,546.18	9.11
Admin Employee Benefits - Life/ LTD								

Budget Comparison (with PTD)
 Period = Jul 2018-Mar 2019
 Book = Accrual

	MTD Actual	MTD Budget	Variance	% Var	PTD Actual	PTD Budget	Variance	% Var
9150090	2,796.97	1,445.18	-1,351.79	-93.54	17,910.58	13,006.62	-4,903.96	-37.70
9160010	3,825.82	5,430.25	1,604.43	29.55	28,862.91	48,872.25	20,009.34	40.94
9160030	25.36	0.00	-25.36	N/A	2,497.34	0.00	-2,497.34	N/A
9160040	3,749.67	1,903.71	-1,845.96	-96.97	11,966.38	17,133.39	5,167.01	30.16
9160050	5,533.99	4,627.46	-906.53	-19.59	35,302.31	41,647.14	6,344.83	15.23
9160060	4,284.48	2,480.50	-1,803.98	-72.73	18,807.48	22,324.50	3,517.02	15.75
9160090	2,058.15	0.00	-2,058.15	N/A	12,205.83	0.00	-12,205.83	N/A
9160100	2,078.55	2,134.16	55.61	2.61	29,404.72	19,207.44	-10,197.28	-53.09
9160110	10,994.67	17,197.01	6,202.34	36.07	147,860.30	154,773.09	6,912.79	4.47
9160112	260.16	622.59	362.43	58.21	4,299.11	5,603.31	1,304.20	23.28
9160113	0.00	0.00	0.00	N/A	1,889.00	0.00	-1,889.00	N/A
9160114	0.00	708.33	708.33	100.00	0.00	6,374.97	6,374.97	N/A
9160115	0.00	0.00	0.00	N/A	6.06	0.00	-6.06	N/A
9160120	0.00	0.00	0.00	N/A	2,542.00	0.00	-2,542.00	N/A
9160130	221.74	10,877.30	10,655.56	97.96	41,224.08	97,895.70	56,671.62	57.89
9160131	69.23	958.66	889.43	92.78	17,563.99	8,627.94	-8,936.05	-103.57
9160140	0.00	0.00	0.00	N/A	300.08	0.00	-300.08	N/A
9160160	0.00	0.00	0.00	N/A	-354.95	0.00	354.95	N/A
9160170	0.00	0.00	0.00	N/A	7,384.00	0.00	-7,384.00	N/A
9160180	35,516.52	24,507.68	-11,008.84	-44.92	211,181.93	220,569.12	9,387.19	4.26
9160190	9,840.99	11,742.59	1,901.60	16.19	81,623.72	105,683.31	24,059.59	22.77
9160210	3,932.13	7,869.11	3,936.98	50.03	51,149.39	70,821.99	19,672.60	27.78
9160220	27,097.44	7,916.68	-19,180.76	-242.28	864.00	0.00	-864.00	N/A
9160230	9,232.19	4,395.74	-4,836.45	-110.03	95,864.79	71,250.12	-24,614.67	-34.55
9160250	0.00	0.00	0.00	N/A	53,140.81	39,561.66	-13,579.15	-34.32
9160260	1,623.74	1,219.14	-404.60	-33.19	1,380.50	0.00	-1,380.50	N/A
9160270	866.70	1,874.26	1,007.56	53.76	13,687.21	10,972.26	-2,714.95	-24.74
9160510	7,436.05	2,535.17	-4,900.88	-193.32	6,831.55	16,868.34	10,036.79	59.50
9160900	433,934.87	521,910.02	87,975.15	16.86	3,843,271.45	4,702,826.58	859,555.13	18.28
9200000	5,587.28	15,321.02	9,733.74	63.53	84,824.91	137,889.18	53,064.27	38.48
9210010	16,397.50	16,648.10	250.60	1.51	148,731.63	149,832.90	1,101.27	0.74
9219000	21,984.78	31,969.12	9,984.34	31.23	233,556.54	287,722.08	54,165.54	18.83
9219990	1,370.00	2,175.25	805.25	37.02	60,902.75	19,577.25	-41,325.50	-211.09
9220000	1,370.00	2,175.25	805.25	37.02	60,902.75	19,577.25	-41,325.50	-211.09
9230005	5,238.52	3,864.97	-1,373.55	-35.54	21,940.29	34,784.73	12,844.44	36.93
9230010	757.91	1,369.65	611.74	44.66	7,175.78	12,326.85	5,151.07	41.79
9230020	84.21	236.92	152.71	64.46	1,056.53	2,132.20	1,075.67	50.45
9230040	11.65	15.51	3.86	24.89	326.42	139.59	-186.83	-133.84
9230050	149.58	0.00	-149.58	N/A	149.58	0.00	-149.58	N/A
9230090	66.22	101.19	34.97	34.56	662.42	910.71	248.29	27.26
9239000	6,308.09	5,588.24	-719.85	-12.88	31,311.02	50,294.08	18,983.06	37.74
9240005	17,553.61	23,763.85	6,210.24	26.13	167,497.05	213,874.65	46,377.60	21.68
9240020	0.00	0.00	0.00	N/A	1,206.84	0.00	-1,206.84	N/A
9240030	17,553.61	23,763.85	6,210.24	26.13	168,703.89	213,874.65	45,170.76	21.12
9249000	15,335.70	19,993.42	4,657.72	23.30	179,760.98	179,940.78	179.80	0.10
9300000	3,753.17	9,169.91	5,416.74	59.07	69,890.15	82,529.19	12,639.04	15.31
9310000								
9320000								

6/4/2019 12:30 PM

Budget Comparison (with PTD)
 Period = Jul 2018-Mar 2019
 Book = Accrual

	MTD Actual	MTD Budget	Variance	% Var	PTD Actual	PTD Budget	Variance	% Var
9330000 Gas	3,463.77	3,725.07	261.30	7.01	38,095.62	33,525.63	-4,569.99	-13.63
9380010 Sewer	18,885.53	24,527.30	5,641.77	23.00	185,273.18	220,745.70	35,472.52	16.07
9380020 Garbage	30,051.51	40,446.46	10,394.95	25.70	282,383.60	364,018.14	81,634.54	22.43
9380030 Other	-46.00	0.00	46.00	N/A	-46.00	0.00	46.00	N/A
9399000 TOTAL UTILITIES	71,443.68	97,862.16	26,418.48	27.00	755,357.53	880,759.44	125,401.91	14.24
9399990 MAINTENANCE								
9400000 MAINTENANCE SALARIES								
9410010 Maintenance - Salaries	39,039.06	53,068.74	14,029.68	26.44	358,171.95	477,618.66	119,446.71	25.01
9419000 TOTAL MAINTENANCE SALARIES	39,039.06	53,068.74	14,029.68	26.44	358,171.95	477,618.66	119,446.71	25.01
9420005 MAINTENANCE MATERIALS								
9420010 Maintenance Materials	7,187.60	19,195.22	12,007.62	62.56	42,233.84	172,756.98	130,523.14	75.55
9420020 Vehicle - gasoline	699.65	0.00	-699.65	N/A	4,731.55	0.00	-4,731.55	N/A
9420030 Janitorials Supplies	0.00	0.00	0.00	N/A	1,142.92	0.00	-1,142.92	N/A
9429000 TOTAL MAINTENANCE MATERIALS	7,887.25	19,195.22	11,307.97	58.91	48,108.31	172,756.98	124,648.67	72.15
9429005 MAINTENANCE CONTRACTS								
9429015 Maintenance Contracts - Unit Turnaround	1,550.00	24,361.81	22,811.81	14.57	17,797.92	219,256.29	201,458.37	91.88
9429040 Maintenance Contracts - Cycle Painting	2,050.00	2,450.96	400.96	16.36	27,875.00	22,058.64	-5,816.36	-26.37
9429060 Maintenance Contracts - Floor Covering	24,404.63	5,644.95	-18,759.68	-332.33	70,187.87	50,804.55	-19,383.32	-38.15
9429100 Maintenance Contracts - Services	1,660.00	12,076.86	10,416.86	86.25	68,356.12	108,691.74	40,335.62	37.11
9430010 Maintenance Contracts - Painting	0.00	1,837.88	1,837.88	100.00	18,671.83	16,540.92	-2,130.91	-12.88
9430020 Maintenance Contracts - Plumbing	0.00	2,534.33	2,534.33	100.00	22,357.95	22,808.97	451.02	1.98
9430030 Maintenance Contracts - Landscape, Pool, Pond Maintenance	0.00	11,334.83	11,334.83	100.00	65,131.02	102,013.47	36,882.45	36.15
9430040 Maintenance Contracts - HVAC Maintenance	0.00	1,856.08	1,856.08	100.00	599.98	16,704.72	16,104.74	96.41
9430060 Maintenance Contracts - Elevator Maintenance	2,233.48	1,608.53	-624.95	-38.85	23,865.47	14,476.77	-9,388.70	-64.85
9430070 Maintenance Contracts - Extermination	0.00	3,530.50	3,530.50	100.00	12,709.60	31,774.50	19,064.90	60.00
9430080 Maintenance Contracts - Electrical Maintenance	567.34	1,950.29	1,382.95	70.91	6,528.00	17,552.61	11,024.61	62.81
9430090 Maintenance Contracts - Security and Nurse Call Systems	13,842.30	4,373.69	-9,468.61	-21.64	65,645.83	39,363.21	-26,282.62	-66.77
9430110 Maintenance Contracts - Tree Trimming Services	0.00	459.88	459.88	100.00	34,615.00	4,138.92	-30,476.08	-736.33
9430110 Maintenance Contracts - Gutter Cleaning Services	0.00	1,258.72	1,258.72	100.00	6,746.96	11,328.48	4,581.52	40.44
9430120 Maintenance Contracts - Flooding Replmt/Cleaning Svc	175.00	612.72	437.72	71.44	7,697.10	5,514.48	-2,182.62	-39.58
9430130 Maintenance Contracts - Other	0.00	4,565.27	4,565.27	100.00	7,262.28	41,087.43	33,825.15	82.32
9430150 Maintenance Contracts - Vehicle Maintenance	0.00	435.37	435.37	100.00	5,238.12	3,918.33	-1,319.79	-33.68
9430150 Maintenance Contracts - Janitorial	25,044.60	8,049.07	-16,995.53	-21.15	100,178.40	72,441.63	-27,736.77	-38.29
9439000 TOTAL MAINTENANCE CONTRACTS	71,527.35	88,941.74	17,414.39	19.58	561,464.45	800,475.66	239,011.21	29.86
9450005 MAINTENANCE EMPLOYEE BENEFITS								
9450010 Maint Employee Benefits - Medical/Dental	9,404.50	14,629.48	5,224.98	35.72	87,275.01	131,665.32	44,390.31	33.71
9450020 Maint Employee Benefits - PERS/PARS	3,602.22	6,280.81	2,678.59	42.65	33,502.29	56,527.29	23,025.00	40.73
9450030 Maint Employee Benefits - FICA	562.51	756.23	193.72	25.62	4,878.31	6,806.07	1,927.76	28.32
9450040 Maint Employee Benefits - SUI	81.44	41.51	-39.93	-9.61	1,998.89	373.75	-1,625.14	-434.82
9450050 Maint Employee Benefits - Life/LTD	385.20	447.76	62.56	13.97	2,839.72	4,029.84	1,190.12	29.53
9450070 Maint Employee Benefits - Uniforms/Shoes	197.10	305.04	35.39	35.39	2,745.92	2,745.36	1,165.44	42.45
9450091 Maint Employee Benefit- WC	2,431.02	2,208.71	-222.31	-10.07	19,043.65	19,878.39	834.74	4.20
9459000 TOTAL MAINTENANCE EMPLOYEE BENEFITS	16,563.99	24,669.54	8,005.55	32.45	151,117.79	222,026.02	70,908.23	31.94
9499000 TOTAL MAINTENANCE	135,117.65	185,875.24	50,757.59	27.31	1,118,862.50	1,672,877.32	554,014.82	33.12
9500000 GENERAL EXPENSES								
9500100 Interest Expense	89,825.74	93,927.25	4,101.51	4.37	812,206.78	845,345.25	33,138.47	3.92
9500150 Investment expenses	0.00	0.00	0.00	N/A	412.96	0.00	-412.96	N/A
9500160 Mortgage Financial Service Charge	5,978.45	0.00	-5,978.45	N/A	48,308.48	0.00	-48,308.48	N/A
9500200 Other Expense	0.00	0.00	0.00	N/A	274,822.98	0.00	-274,822.98	N/A
9610020 Insurance - Liability	3,108.86	6,393.07	3,284.21	51.37	28,710.19	57,537.63	28,827.44	50.10
9610030 Insurance - Property	9,045.61	8,982.70	-62.91	-0.70	81,549.52	80,844.30	-705.22	-0.87
9610040 Insurance - Vehicle	731.74	1,131.97	400.23	35.36	8,177.57	10,187.73	2,010.16	19.73

Budget Comparison (with PTD)
 Period = Jul 2018-Mar 2019
 Book = Accrual

	MTD Actual	MTD Budget	Variance	% Var	PTD Actual	PTD Budget	Variance	% Var
9610060	750.26	0.00	-750.26	N/A	4,381.51	0.00	-4,381.51	N/A
9620010	0.00	0.00	0.00	N/A	874.31	0.00	-874.31	N/A
9698000	109,420.66	110,434.99	1,014.33	0.92	1,259,444.30	993,914.91	-265,529.39	-26.72
9699000	797,133.34	979,578.87	182,445.53	18.62	7,471,409.98	8,821,846.31	1,350,436.33	15.31
9700000								
9700570	14,433.00	0.00	-14,433.00	N/A	138,437.00	0.00	-138,437.00	N/A
9700800	-70,667.00	0.00	70,667.00	N/A	-634,102.00	0.00	634,102.00	N/A
9700900	-56,234.00	0.00	56,234.00	N/A	-493,665.00	0.00	493,665.00	N/A
9710000								
9710090	0.00	8,333.33	8,333.33	100.00	3,002.64	74,999.97	71,997.33	96.00
9713001	0.00	8,333.33	8,333.33	100.00	3,002.64	74,999.97	71,997.33	96.00
9730001								
9730010	2,510,408.00	2,566,274.74	55,866.74	2.18	22,748,796.90	23,096,472.66	347,675.76	1.51
9730020	5,072.00	0.00	-5,072.00	N/A	50,236.00	0.00	-50,236.00	N/A
9730070	2,375.00	0.00	-2,375.00	N/A	22,188.00	0.00	-22,188.00	N/A
9739000	2,517,855.00	2,566,274.74	48,419.74	1.89	22,821,220.90	23,096,472.66	275,251.76	1.19
TOTAL EXPENSES BEFORE OTHER EXPENSES	3,258,754.34	3,554,186.94	295,432.60	8.31	29,799,968.52	31,993,318.94	2,193,350.42	6.86
NET INCOME BEFORE OTHER EXPENSES	388,673.37	168,833.38	-219,839.99	-130.21	3,358,948.91	1,513,863.94	-2,541,615.87	-167.89
OTHER EXPENSES								
9740000	115,655.54	0.00	-115,655.54	N/A	1,027,985.28	0.00	-1,027,985.28	N/A
9760000	0.00	0.00	0.00	N/A	-3,067.29	0.00	3,067.29	N/A
9765000	0.00	0.00	0.00	N/A	2,550.00	0.00	-2,550.00	N/A
9859999	115,655.54	0.00	-115,655.54	N/A	1,027,467.99	0.00	-1,027,467.99	N/A
9996000	3,374,409.88	3,554,186.94	179,777.06	6.87	30,827,436.51	31,993,318.94	1,163,882.43	3.64
9998000								
9998000	273,017.83	168,833.38	-104,184.45	-61.71	2,331,480.92	1,513,863.94	-817,616.98	-54.01

6/4/2019 12:29 PM

Balance Sheet

Period = Mar 2019

Book = Accrual

Current Balance

		Current Balance
1000000	ASSETS	
1100000	CURRENT ASSETS	
1101000	CASH	
1110010	Cash - Unrestricted	4,102,759.54
1110011	Cash-Unrestricted-Saving/Money Market	870,035.10
1110012	Cash - Reserve for Building	78,450.83
1110014	Cash - Reserve for Equipment	2,152.00
1110018	Cash - Operating Checking with 3rd Party	-60,321.36
1110019	Petty Cash with 3rd Party	-4,500.19
1110020	Cash - Petty cash	250.00
1110021	Cash - Benefit Account	73,442.10
1110030	Cash - FSS	130,824.32
1110040	Cash - Replacement Reserve Bldg	61,415.00
1130010	Cash - Restricted Other	-113,476.00
1130030	Cash - Restricted Sec Dep	28,577.00
1140000	Cash - Tenant Security Deposits	499,990.25
1140050	Cash - Tenant Security Deposits with 3rd Party	39,440.00
1199000	TOTAL CASH	<u>5,709,038.59</u>
1200000	ACCOUNTS RECEIVABLE	
1210000	Accounts Receivable - PHA	10,726.58
1240010	Accounts Receivable - Government	144,808.71
1240020	Accounts Receivable - PNC Mortgage	-3,291.52
1240050	HAP Rent Receivable	223.77
1250010	Accounts Receivable - Other	295,116.28
1250050	Accounts Receivable - 3rd Party Management	21,089.00
1255000	Subsidy Suspense Receivable	-14,368.00
1260000	Accounts Receivable - Tenant	374,948.37
1260050	Accounts Receivable - Tenant Rent with 3rd Party	4,681.89
1261000	Allowance for Doubtful Accounts -Dwelling Rent	-61,830.05
1280000	Fraud Recovery	25,793.43
1281000	Allowance for Doubtful Accounts - Fraud	-25,068.23
1290000	Accrued Interest Receivable	46,875.36
1290010	Accrued Receivables	19,237.77
1299000	TOTAL ACCOUNTS RECEIVABLE	<u>838,943.36</u>
1300000	INVESTMENTS AND OTHER CURRENT NOTES	
1310000	Investments(LAIF)- Unrestricted	9,638,839.68
1320010	Investments - Other	200.00
1320020	Investments(LAIF) (Restricted) - FSS Escrow	55,115.35
1320030	Investments(LAIF)- Building Reserve	1,340,750.69
1320040	Investments(LAIF) - Equipment Reserve	263,919.26
1320201	Investment Reserved for IP-LAIF	421,677.93
1350010	Investment(LAIF)-Restricted (Jack Capon Villa Trust)	1,357.78
1350020	Investment-OPEB (Restricted)	-40,886.51

6/4/2019 12:29 PM

Balance Sheet

Period = Mar 2019

Book = Accrual

		Current Balance
1350031	Investments - CAMP	12,728,314.45
1350100	Mortgage Receivable	26,213,161.62
1350103	Mortgage Receivable-Jack Capon L. P.	140,886.67
1350106	Loan Receivable - ICD	16,210,000.00
1350107	Loan Receivable-RCD/Stargell/Tri Pointe	2,000,000.00
1350109	Loan Receivable - Section 8	650,000.00
1360000	TOTAL INVESTEMENTS AND OTHER CURRENT NOTES	69,623,336.92
1400000	PREPAID EXPENSES	
1420010	Prepaid Insurance - Property	10,050.93
1420020	Prepaid Insurance - Liability	50,492.42
1420040	Prepaid Insurance - Worker Comp	29,885.07
1420050	Prepaid - Other	41,660.36
1420051	Prepaid Rent	14,400.00
1420070	Escrow Deposits - Property	-17,288.43
1420075	Escrow Dep. PNC Hedge Res.	54,328.68
1430000	Inventories	9,810.30
1430010	Replacement Reserve-NorthMarq Loan	471,087.01
1430020	Reserve for Replacement NorthMarq	499,440.97
1440099	TOTAL PREPAID EXPENSES	1,163,867.31
1440105	INTERPROGRAM	
1440110	Interprogram (Due From)	-2,659,893.72
		13,073.00
1440112	Interprogram Due From Lincoln St FACSA	6,713.00
1440410	Interprogram Due From Sucessor Housing Agency	300,000.00
1440440	Interprogram Due from HCD-Development	20,188.71
1440452	Interprogram Due From Stargell Commons	-391,942.76
1440453	Interprogram Due From Island City Development - 4530	354.48
1440601	Interprogram Due From ABD	-22,495.73
1440602	Interprogram Due From Rosefield Village - 4537	218.80
1440603	Interprogram Due From Parrot Gardens	15.11
1440604	Interprogram Due From Stanford House	4.67
1440605	Interprogram Due From Lincoln/Willow	15.12
1440606	Interprogram Due From Senior Condos	18.23
1440607	Interprogram Due From China Clipper	407.65
1440608	Interprogram Due From Regent Street Land	1,530.11
1440609	Interprogram Due From Santa Clara Land	60.19
1440610	Interprogram Due From Eagle Village	264.80
1440613	Interprogram Due From Shinsei Gardens	2,580.11
1440710	Interprogram Due From Section 8 Vouchers	451,104.46
1440730	Interprogram Due from PBV	15,605.00
1440740	Interprogram Due from HCV	62,362.42
1440770	Interprogram Due from FUP	1,106.00
1440780	Interprogram Due From F.S.S.	1,277.27

6/4/2019 12:29 PM

Balance Sheet

Period = Mar 2019

Book = Accrual

1440781	Interprogram Due From New FSS Grant	57,384.80
1440810	Interprogram Due From Independence Plaza	610.59
1440899	TOTAL INTERPROGRAM	<u>-2,139,437.69</u>
1500000	TOTAL CURRENT ASSETS	75,195,748.49
1590000	LONG TERM ASSETS	
1600000	FIXED ASSETS	
1609999	LAND AND BUILDINGS	
1610000	Land	22,022,053.63
1620030	Buildings	30,417,307.95
1620031	Buildings Improvements	2,146,759.76
1629000	TOTAL LAND AND BUILDINGS	<u>54,586,121.34</u>
1630040	Furniture and Equipment - Dwelling	355,074.81
1630041	Furniture and Equipment - Other	40,078.60
1650000	Leasehold Improvements	10,674,163.17
1660030	Accumulated Depreciation	-26,047,262.10
1660060	Accumulated Depreciation - 3rd Party	-532.61
1699000	TOTAL FIXED ASSETS	<u>39,607,643.21</u>
1800000	DEFERRED OUTFLOW	
1800200	Deferred Outflow of Resources	2,214,775.59
1890000	TOTAL DEFERRED OUTFLOW	<u>2,214,775.59</u>
1900000	CONSTRUCTION IN PROGRESS	
1900100	CIP - On Site Improvement	-381.10
1900290	CIP - Organization - Legal	6,077.50
1900410	CIP - Environmental Testing & Reports	10,850.00
1900420	CIP - Permit & Fees (plan'g,build'g,public work,school dist)	3,331.78
1900430	CIP - Utilities Fees	607.60
1919999	TOTAL CONSTRUCTION IN PROGRESS	<u>20,485.78</u>
1929999	TOTAL LONG TERM ASSETS	<u>41,842,904.58</u>
1999999	TOTAL ASSETS	117,038,653.07
3000000	LIABILITIES AND EQUITY	
3005000	LIABILITIES	
3100000	CURRENT LIABILITIES	
3100500	ACCOUNTS PAYABLE	
3120010	Accounts Payable<= 90 Days	905,686.24
3120011	Accounts Payable -CALPERS (employee portion)	-103.07
3120012	Accounts Payable-Health Insurance (employee portion)	2,752.94
3120014	Accounts Payable-Garnishment (employee portion)	-128.50
3120015	Accounts Payable-Vision Insurance (employee portion)	130.48
3120016	Accounts Payable-Life Insurance (employee portion)	-67.20
3120018	Accounts Payable-PARS retirement (employee portion)	70.13
3120019	Accounts Payable-Flexible Spending Account(employee portion)	-3,908.91
3120021	Employees Cobra	278.28
3120022	Accounts Payable-PERS 1959 Surv(Employee Portion)	40.92

6/4/2019 12:29 PM

Balance Sheet

Period = Mar 2019

Book = Accrual

3120023	Accounts Payable-FSA Transit Plan	1,657.02
3120024	Accounts Payable FSS	89,925.92
3120026	Accounts Payable FSS Interest	5.27
3120029	Accounts Payable - 3rd Party Management Company	6,237.22
3120030	Accrued Wage/Payroll Taxes Payable	1,391.46
3120040	Accrued Compensated Absences - Current Portion	128,207.37
3120045	Accrued Vacation Payable - 3rd Party Management	2,548.21
3120050	Accrued Contingency Liability	-2,421.30
3120070	Accrued Payables	17,012.71
3120075	Accrued Accounts Payable - 3rd Party Management	37,809.00
3330100	Tenants- Rents Payable	9,900.00
3339000	TOTAL ACCOUNT PAYABLE	1,197,024.19
3400000	SECURITY DEPOSITS HELD	
3410010	Tenant Security Deposits	385,220.42
3410015	Tenant Security Deposits - held with 3rd Party Management	37,190.00
3410020	Tenant Security Deposits - Pets	1,375.00
3410030	Tenant Security Deposits - Gate Opener	50.00
3410040	Tenant Security Deposits - Satellite Dish/Antenna	1,700.00
3410060	Tenant Security Deposits - Pooled Interest	63,760.13
3410999	Security Deposit Refund	10,029.13
3419000	TOTAL SECURITY DEPOSITS HELD	499,324.68
3419900	OTHER LIABILITIES	
3420000	Prepay Tenant Rent	77,230.16
3421000	Prepay Tenant Rent - 3rd Party Management	12,189.50
3425000	Unearned Revenue	-439,156.17
3426000	Prepaid Ground Lease Rent	3,410,000.00
3430000	Current Portion of Long Term Debt - Capital Projects	-745,760.61
3449000	TOTAL OTHER LIABILITIES	2,314,502.88
3470000	INTERPROGRAM	
3470050	Interprogram (Due to)	564,053.47
3470110	Interprogram Due To General Fund	178,146.12
3470210	Interprogram Due To Esperanza	300,000.00
3470601	Interprogram Due To Anne B Diament Plaza	21,429.00
3470710	Interprogram Due To Section 8 Vouchers	104,256.35
3471000	Due To/Due From Suspense Account	-446,542.35
3480000	TOTAL INTERPROGRAM	721,342.59
3499000	TOTAL CURRENT LIABILITIES	4,732,194.34
3500000	NON-CURRENT LIABILITIES	
3510100	Mortgage Loan Payable	29,788,378.25
3510103	Mortgage Loan Payable- Alameda County	26,250.00
3510130	Interest Payable - City of Alameda Loan	1,003,947.26
3510140	Home Fund Loan #1	219,453.70
3510150	Housing Community Dev. Loan	916,399.98

6/4/2019 12:29 PM

Balance Sheet

Period = Mar 2019

Book = Accrual

3510157	Loan Payable - Esperanza	650,000.00
3510158	Loan Payable - CDBG	575,000.00
3510160	Home Fund Loan #2	282,700.00
3540000	Accrued Compensated Absences - Noncurrent	94,090.72
3570000	OPEB Liability	50,120.42
3580000	Pension Liability	1,924,494.73
3599000	TOTAL NON-CURRENT LIABILITIES	<u>35,530,835.06</u>
3999000	TOTAL LIABILITIES	40,263,029.40
4000000	Equity/Net Assets	
4000001	EQUITY	
4000100	DEFERRED INFLOW	
4001000	Deferred Inflow of Resources	2,337,137.01
4900000	TOTAL DEFERRED INFLOW	<u>2,337,137.01</u>
4999999	CONTRIBUTED CAPITAL	
5010000	Net Investment in Capital Assets	8,944,339.25
5090000	Unrestricted	43,071,940.11
5120000	Unrestricted	21,817,924.77
5120010	Net Restricted Assets	604,282.53
5950000	TOTAL CONTRIBUTED CAPITAL	<u>74,438,486.66</u>
5999900	TOTAL EQUITY	<u>76,775,623.67</u>
6000000	TOTAL LIABILITIES AND EQUITY	<u>117,038,653.07</u>



Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TDD (510) 522-8467

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Vanessa M. Cooper, Executive Director

Date: June 19, 2019

RE: Authorize the Executive Director to Negotiate and Award a One-Year Contract for Auditing Services for the Year Ending June 30, 2019 to Citrin Cooperman & Company, LLP for an Amount Not to Exceed \$45,000 and to Allow the Executive Director to Negotiate and Award Future Extensions of Time and Money Not to Exceed \$200,000 and Five Fiscal Years, Starting with the Audit of the 2018-19 Fiscal Year

BACKGROUND

As a public agency, the Housing Authority is required to obtain an annual independent audit. Under the Housing Authority's Procurement Policy and Procedures, in compliance with HUD guidelines, it is preferable to enter into a multi-year contract for ongoing auditing services. In this case the Request for Proposal (RFP) for this contract was reissued in 2019 after AHA's primary contact from the original contract with Rubino & Company, Chartered, J. Michael Stephens, moved to Citrin Cooperman & Company, LLP.

Staff is recommending a one-year contract with an option, at staff's determination, to extend for up to four additional years. If AHA chooses to extend the contract with Citrin Cooperman, it may be extended on a yearly basis for four additional years at a cost of \$34,800 for 2020; \$35,900 for 2021; \$37,000 for 2022; and \$38,200 for 2023 for year five totaling \$179,675 for the maximum five-year range including the first-year cost of \$33,775. The proposal is available upon request.

DISCUSSION

The Housing Authority reissued a Request for Proposals (RFP) for auditing services on February 4, 2019. Under this RFP, proposals were assigned points regarding quality control, experience, timeline, technical competence, specialized knowledge and ability, and cost. Six proposals were received.

All bidders met the minimum qualifications. The key differential between the parties is cost. The lowest priced bidder was determined to have less overall experience in the prior year with PHAs than the other bidders. Staff and one board member reviewed the submissions. The applications are available for review upon request.



For illustration purposes only, the bidders provided the following costs for their proposals:

Applicants	First Year	Five Year Total
Aprio	\$34,318	\$180,762
Citrin Cooperman	\$33,775	\$179,675
Eide Bailly LLP	\$42,000	\$230,000
Harshwal Patel	\$17,300	\$86,500
Novogradac & Company	\$37,480	\$192,405
Rubino & Company	\$38,500	\$193,500

Staff recommends that AHA awards a one-year Contract for Auditing Services to Citrin Cooperman for an amount not to exceed \$33,775. This recommendation is based on Citrin Cooperman's familiarity with the agency and its accounting practices and programs. After the first-year, their performance will be reviewed against the contract and may be extended if satisfactory. If Citrin Cooperman fails to perform or the Board wishes to change auditors after the first or second year of this agreement, then the pool of those who applied from the 2019 RFP will be used to select a new auditor.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The Housing Authority's 2019-20 budget will fund auditing services for the next fiscal year. There are adequate funds to cover this cost. The not to exceed amount has been increased to \$45,000 in case the auditors are required to additional work either to coordinate with ICD auditors or due to current staffing vacancies. Future budgets will incorporate sufficient funds to cover year three as well as years four and five (if AHA chooses to extend the contract for one or two additional years). It is unlikely that funds would not be available in future years as audits are mandatory; however, there is a provision in the contract that would permit termination.

RECOMMENDATION

Authorize the Executive Director to Negotiate and Award a One-Year Contract for Auditing Services for the Year Ending June 30, 2019 to Citrin Cooperman & Company, LLP for an Amount Not to Exceed \$45,000 and to Allow the Executive Director to Negotiate and Award Future Extensions of time and money not to exceed \$200,000 and five fiscal years, starting with the audit of the 2018-19 fiscal year.

Respectfully submitted,



Vanessa M. Cooper
Executive Director

VC: TA





Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Tony Weng, Senior Project Manager

Date: June 19, 2019

Re: Accept the Monthly Development Report for Rosefield Village and Approve a \$2 million Loan Amendment to Island City Development for Predevelopment Work at Rosefield Village and Authorize Executive Director to Negotiate and Execute the Loan Documents.

BACKGROUND

The Housing and Community Development Department provides monthly reports on projects under construction where either AHA or Island City Development (ICD) is acting as developer and provides performance guarantees.

The Rosefield Village project includes new construction of 78 units and renovation of 14 units, totaling 92 units located on the 700 block of Buena Vista Ave. ICD is the developer. The overall project scope includes both rehabilitation of existing structures and construction of a new building in the middle of the site. In addition to the 78 units, the new central building includes onsite laundry, property management offices, social service coordination offices, a community room, and central courtyard with play structures. Twelve existing units, in five buildings, on the east and west sides of the new building will be renovated, and one house will be converted into a duplex. The property will serve households ranging from 20%-80% of the Area Median Income.

As of October 2018, the Board approved a construction/permanent loan of \$7 million of AHA funds to support the project. In September 2018, AHA was awarded \$1.67 million of A1 County Bond funds from the City Base Allocation. In November, the Alameda Unified School District amended their allocation to \$6.6 million of pass through funds to the project. In February 2019, AHA was awarded \$6.42 million of A1 County Bonds funds from Regional Pool Allocation.

DISCUSSION

In collaboration with Paragon Partners, Property Management staff continues to offer AHA vacancies not subject to a waitlist for Rosefield transferees while Paragon Partners is working with tenants to find housing in the private market. An update on the relocation status is below:



Month	Total Units	Vacant Units	Currently Occupied	Move Completed
May 31, 2019	53	26	27	8

In addition to the relocation planning work, staff continues to work with the design team on refining the project scope and proceeding with the entitlement process. Staff is reviewing the 50% Construction Documents package from the design team.

Staff is waiting for the California Department of Housing and Community Development to issue a Notice of Funding Availability (NOFA) for the new Multifamily Housing Program (MHP). Staff will be submitting the 4% Low-Income Housing Tax Credit and tax-exempt bond applications after the MHP awards. The overall financing goal is to secure funding in 2019 and start construction in early 2020.

In moving forward with the predevelopment work for this project, costs will exceed the remaining balance of the \$1 million predevelopment loan previously approved by the Board. Staff is requesting to increase the predevelopment loan from \$1 million to \$2 million. The initial \$1 million loan request established was a smaller unit count and earlier in the predevelopment phase. These additional funds will enable the project get through the entitlement process and be ready for funding applications. These predevelopment funds do not increase the total project budget. Rather, they increase the availability of funds during the predevelopment phase rather than construction phase.

Below is the updated predevelopment budget for Rosefield Village:

Budget Line Items	Estimated Costs
Architecture and Engineering	\$1,400,000
Reports and Studies (appraisal, market study, environmental reports, geotechnical reports, etc.)	\$125,000
Relocation Services	\$100,000
Legal Services	\$75,000
Permit Fees	\$300,000
Total	\$2,000,000.00

FINANCIAL IMPACT

The Board has previously authorized a \$1 million loan to Island City Development for predevelopment expenses. Predevelopment costs incurred include application fees, professional services for reports and studies, plus architecture and engineering fees.

The chart below summarizes expenses through May 2019.

Rosefield Village

Pre-development Loan from AHA	\$	1,000,000
Usage through May 2019	\$	823,483
Balance	\$	176,517



Honorable Chair and
Members of the Board of Commissioners

June 19, 2019
Page 3 of 3

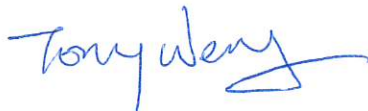
The Board has committed \$7 million in AHA loan funds for construction and/or permanent financing.

The updated predevelopment budget discussed above does not affect the overall project financial feasibility. The increased in predevelopment loan represents the timing of the project costs needed to complete the entitlement process and be ready for funding applications. The \$2 million predevelopment loan would be funded from the AHA's refinance proceeds and will be paid back to the investment reserves at construction loan closing.

RECOMMENDATION

Accept the Monthly Development Report for Rosefield Village and approve a \$2 million Loan Amendment to Island City Development for predevelopment work at Rosefield Village and authorize Executive Director to negotiate and execute the loan documents.

Respectfully submitted,



Tony Weng
Senior Project Manager



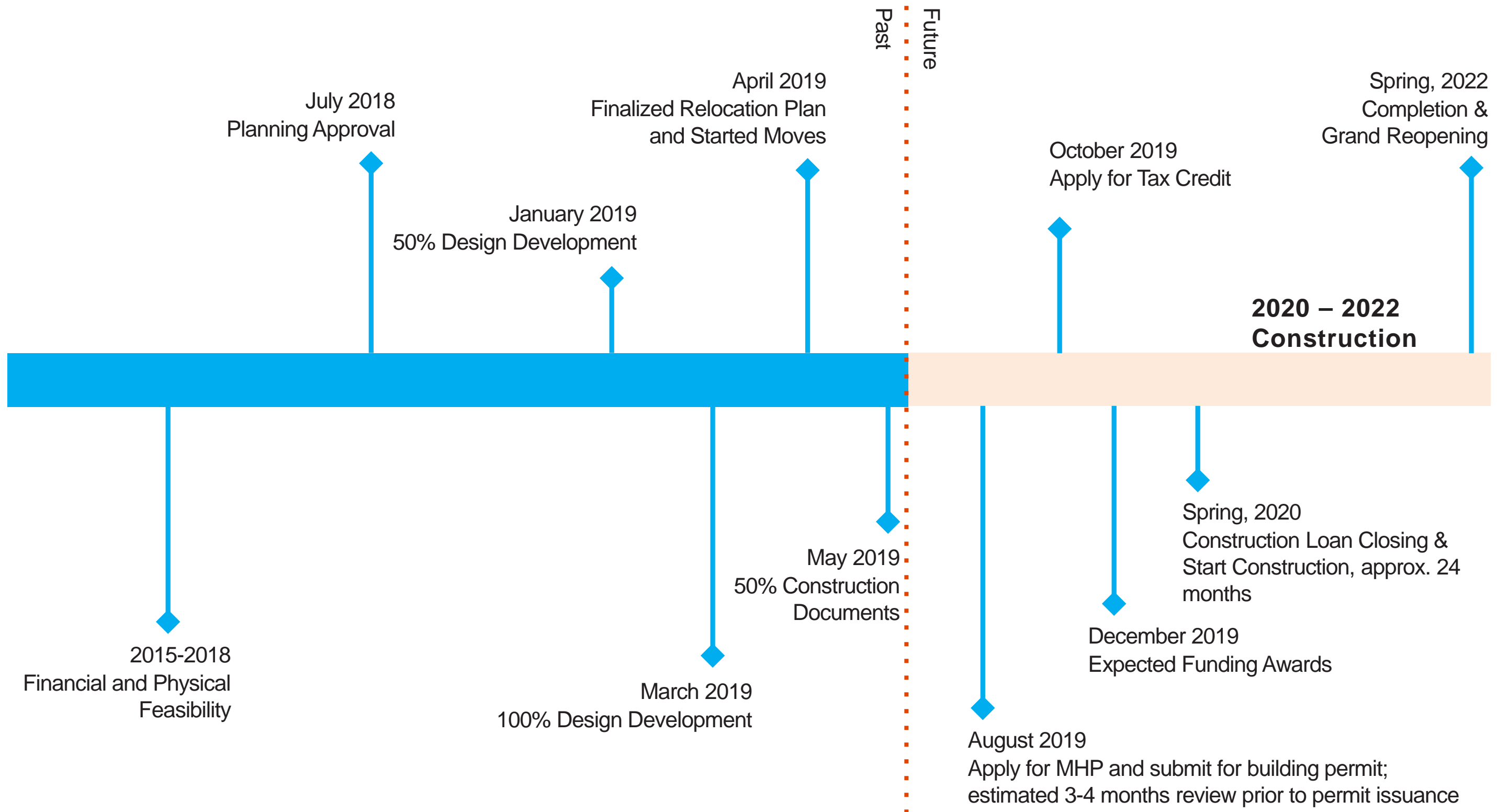


Rosefield Village Development Update

June 19, 2019

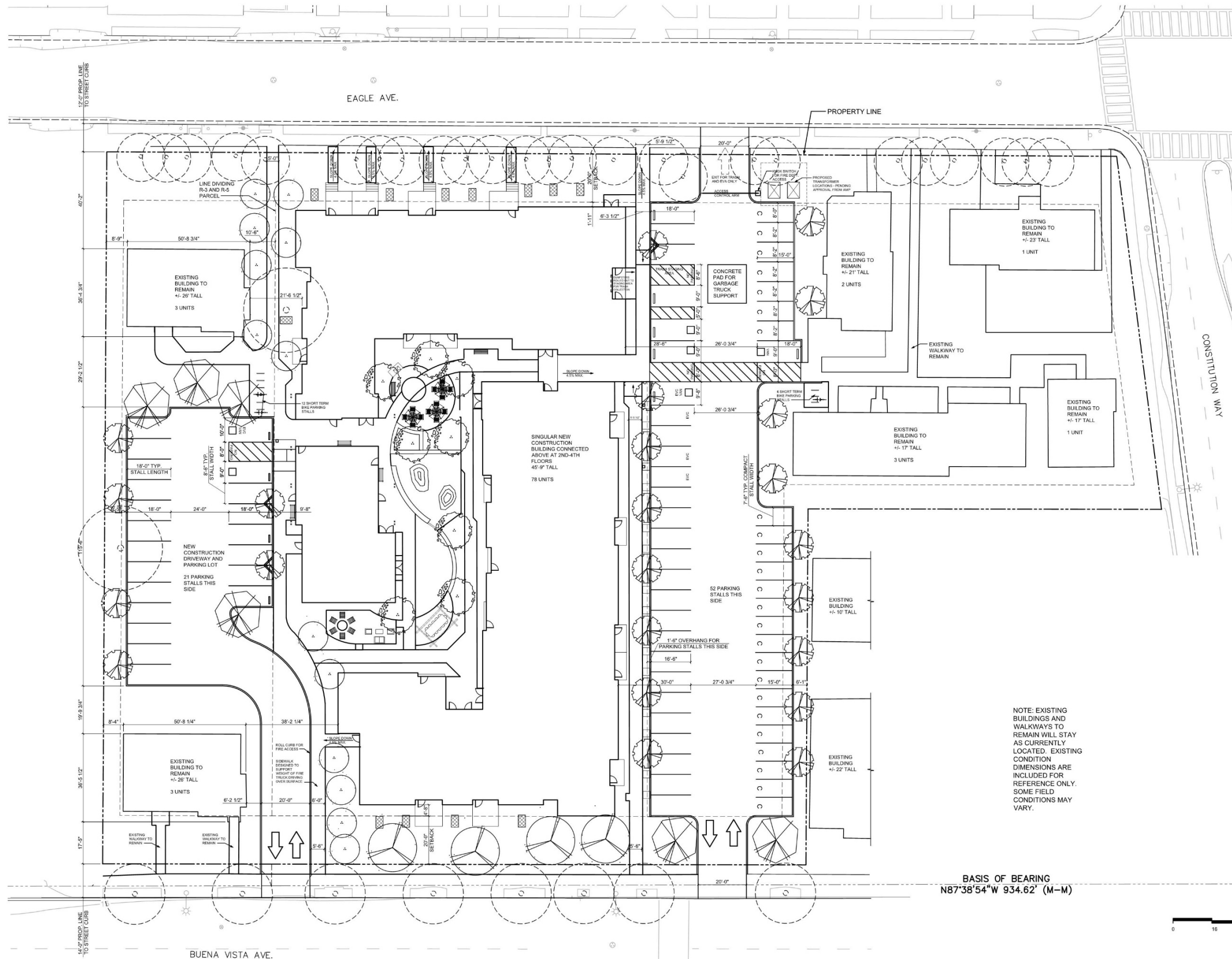
Status Report

Rosefield Village Timeline



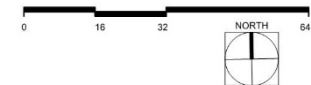
Rosefield Village Project Scope

- 78 units of new construction at the center of the site
 - onsite laundry, property management and social service offices, community room, and central courtyard with play structures
- 12 existing units, in five buildings, on the east and west sides of the new building will be renovated, and one house will be converted into a duplex
- 92 total units (91 rental units plus a manager's unit)
 - 7 Studios
 - 35 1 Bedroom
 - 27 2 Bedroom
 - 23 3 Bedroom



NOTE: EXISTING BUILDINGS AND WALKWAYS TO REMAIN WILL STAY AS CURRENTLY LOCATED. EXISTING CONDITION DIMENSIONS ARE INCLUDED FOR REFERENCE ONLY. SOME FIELD CONDITIONS MAY VARY.

BASIS OF BEARING
N87°38'54"W 934.62' (M-M)



ARCHITECTURAL SITE PLAN

VIEW



KEYPLAN



PERSPECTIVE FROM BUENA VISTA AVENUE

VIEW



KEYPLAN



PERSPECTIVE FROM EAGLE AVENUE



WESTERN BUILDING ENTRANCE

Relocation Update

- Relocation Specialist: Paragon Partners
- General Information Notice (G.I.N.): November 15, 2018
- Relocation Plan Finalized as of: April 18, 2019
- Notice of Eligibility (N.O.E.): April 23, 2019
- Six Months Notice to Vacate: May 17, 2019
- Status as of May 31, 2019:

Month	Total Units	Vacant Units	Currently Occupied	Move Completed
May 31, 2019	53	26	27	8

Financing Plan (Sources and Uses)

Project Budget Line Items (Uses)	Project Budget	Predevelopment Loan
Acquisition	\$13,800,000	-
New/Rehabilitation	\$38,300,000	-
Relocation	\$200,000	\$100,000
Architecture/Engineering	\$2,100,000	\$1,400,000
Contingency Costs	\$4,000,000	-
Financing Expenses	\$3,150,000	-
Legal Fees	\$150,000	\$75,000
Other Soft Costs (Reports, Studies, Permit Fees, etc.)	\$1,650,000	\$425,000
Reserves	\$650,000	-
Developer Costs	\$3,500,000	-
Total	\$67,500,000	\$2,000,000

Questions?



Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Vanessa M. Cooper, Executive Director

Date: June 19, 2019

RE: Adopt the Resolution to Approve the Housing Authority's One Year Budget for Fiscal Year July 1, 2019 to June 30, 2020 and the Revised Schedule of Authorized positions

BACKGROUND

The Housing Authority adopts its annual budget in the last quarter of each fiscal year. The AHA is currently ending the budget for the one-year budget period starting July 1, 2018 and ending June 30, 2019. This year each Director has reviewed their own budgets with the Executive Director and have combined historical budget data, with actuals and expected changes in the coming fiscal year to establish the 2019-2020 budget.

It is also important to note, that this is the combined budget for AHA and AAHC which includes the four properties that transferred ownership to Alameda Affordable Housing Corporation (AAHC) in May 2018. These properties are Anne B. Diamant, China Clipper Plaza, Stanford House, and Lincoln-Willow Apartments. The AAHC budget will be presented for approval in a separate AAHC Board meeting immediately following the AHA meeting on June 19, 2019, but it is included here for ease of comparisons. All members of the Board of Commissioners also serve as the Board of Directors for AAHC.

A: OVERVIEW

Net position:

Total income is \$47,149,063 and total expenses, including depreciation, are \$46,617,286 resulting in an overall 27% increase (\$411,160) in net operating income over the prior year. Total operating income increased 6% and operating expenses increased 4%.

- In terms of personnel costs, full staffing and benefits is assumed per the attached schedule of authorized positions. A 3% cost of living increase to wages and increases ranging from 5-7.5% in benefits costs have been included. The actual salary and benefits changes will be brought to the Board for approval in August 2019. Additional costs for temporary staff and recruitment costs have also increased.
- The revised rental income reflects an average increase in contract rent for 2019 of 4% with increases implemented throughout the year.



Attachment A shows the proposed budget for the fiscal year July 1, 2019 to June 30, 2020 as well as FY 2018-19 estimated actuals. Both FY 19-20 and FY 18-19 are listed for a year to year comparison.

	FY 19-20	FY 18-19	Change	
	Budget	Budget	\$	%
Operating Income	17,004,796	16,051,618	953,178	6%
Operating Expenses	15,091,055	14,549,037	542,018	4%
Net Operating Income	1,913,741	1,502,581	411,160	27%
HAP Income	30,144,267	30,130,914	13,353	0%
HAP Expenses	30,144,267	30,130,914	13,353	0%
Net HAP	0	-		
Less: Depreciation	1,381,964	1,552,833	-170,869	-11%
Net Income After Depreciation	531,777	-50,252	582,029	-1158%
			0	
Capital Improvements Projects	(8,231,000)	(4,015,000)	(4,216,000)	105%

As in prior years, the 2019-20 budget provides budget schedules in 3 key areas:

- Section 8 Housing Assistance Payments (HAP pass-through)
- Operating Income and Expenses
- Capital Improvement Projects (CIP)

B: SECTION 8 HOUSING ASSISTANCE PAYMENTS (HAP pass-through)

Attachment B shows the Section 8 Housing Choice Voucher Program (and related programs) Housing Assistance Payment (HAP) Subsidy that is paid to landlords on behalf of Section 8 participants. These are government “pass-through” funds and must be kept separate from all other Housing Authority funds.

- Tenant and Project-Based Housing Choice vouchers (including Family Unification Program (FUP), Non-Elderly Disabled (NED) and Veteran Affairs Supportive Housing (VASH)) (HUD program)
- Shelter Plus Care (County program)
- Mod-Rehab Program (HUD Program)



Expenses: HAP expense to participating landlords is expected to be \$30,144,267 in FY 2019-20. HAP is AHA's largest single expense item and is generally offset dollar-for-dollar by the HAP subsidy received.

It is important to note that Budget Authority for HAP is provided by HUD on a calendar year basis. The current year's federal budget was approved in March 2019 and provided for 100% renewal of the prior year's expenditure to allow for a Budget Approval of \$31,524,730 for calendar year 2019. Staff are working to increase voucher issuance significantly over the summer but a conservative approach has been adopted in this budget because landlords who are willing to take vouchers are still difficult to find and some new voucher holders end up porting out and being absorbed elsewhere. AHA will be able to draw down the additional funds from HUD if efforts are successful.

In 2014 HUD moved the cash reserves from all Housing Authorities into a HUD-held account. These HUD-held HAP reserves can be used anytime AHA's Budget Authority from HUD is insufficient to meet AHA's HAP needs, as long as AHA does not exceed its baseline number of units in any calendar year. AHA's baseline number of units is 22,620 (or 1,885 x 12 months). The FY 2019-20 budget assumes leasing of 18,024 units in the year (or 1,502 per month), which compares with 17,626 unit months leased (or 1,469 per month) for FY 2018-19. As of the end of April 2019, AHA had \$473,475 in its HUD-held HAP Reserve, but this is expected to grow before the year end.

C: OPERATING BUDGET

Attachment C provides a detailed breakdown of the operating budget including day-to-day operating income and expenses for all areas of the agency's activity. The operating budget includes the income and expenses for rental housing and commercial use properties, Housing Programs Department administration, the Housing Successor Assets, Housing and Community Development, the Rent Stabilization Program as well as CDBG, HOME, BMR, and other City programs that are reimbursed with City funds. The operating budget does not include HAP pass-through to private landlords; however, it does include current income for units where AHA is the owner/landlord.

OPERATING INCOME

Total operating income for FY 2019-20 is \$17,004,796, which compares to a budgeted \$16,051,618 for FY 2018-19.

- **Rent payments from tenants and HAP payments from HUD** in all AHA-owned properties. This is budgeted at \$12,489,060. This results from a small contract increase for all Housing Choice Voucher (HCV) and Project Based Voucher (PBV) holders to the Project Based Voucher (PBV) payment standard, which started in January 2019. This significantly increased the rental income for AHA, without negatively impacting the voucher holders because the tenant portion of rent is dependent on household income unless tenants are over housed. These increases are applied at different times throughout the budgeted year, bringing the total to an



average increase of 4% in total tenant revenue income. For HCV- or PBV-assisted units, the tenant portion may vary through the year since the tenant portion in many units is dependent on the household income. Over-housed households have been offered downsizing opportunities in an effort to relieve rent burdens as rents increase.

- **Tax Increment Funding (also known as CIC)** for Independence Plaza estimated to be \$1,733,340 for FY 2019-20 based on the prior year. However, this may eventually be lower (as low as \$1.2 million), offset by higher rents as the property moves to the new rental system and additional Section 8 voucher holders are housed with the 504/AHA rehabilitation completion. Staff will manage rental and CIC income throughout the year to ensure ongoing stability.
- **Commercial lease income** from Alameda Family Services, HeadStart childcare center, and the parking lease at Esperanza.

The operating budget utilizes the Gross Potential Rent (GPR) method, which assumes all units are leased at the current contract rent every night of the year. A 3% vacancy loss has been assumed, except at Rosefield which is at 50% for the future rehabilitation project.

Grant Income: This income is received through the Family Self Sufficiency (FSS) program and can only be used to support that program. The grant operates on a calendar year and the grant for 2019 is \$61,124. For FY 2019-20, staff has budgeted 12 months of new grant income based on the 2019 funding. If the grant is not forthcoming for 2020, staff will review with the Board whether to continue with the FSS program.

Administrative Fee Income: The Administrative Fee is paid by HUD and can only be used by AHA to cover the cost of administration for the administration of the Housing Choice Voucher program (and all the special programs funded under this ACC). The Administrative Fee is included at a proration of 79.9% for the full fiscal year. It should be noted that HUD has proposed to change the method for calculating the fee that could negatively impact the budget in the future. In the event of major changes to Administrative Fee and/or HAP with the new budget in the fall, staff will return to the Board for a budget adjustment if necessary.

Staff has used a base number of leased units as 1,485 units for the coming year (which is the current rate of leased units). This assumes that AHA can continue to offer rents at or close to 100% FMR and there is no significant loss of units. Any changes in market rents could negatively impact this assumption.

Based on this, total Administrative Fees are expected to be \$1,765,946. This is an increase of \$189,420 from the \$1,546,526 budgeted in FY 2018-19. Staff continues to use the landlord lease-up incentive for transferring voucher holders in order to maximize use of our reserves and maintain affordable housing supply in Alameda. AHA is in the process of issuing 150 vouchers to those on the Section 8 HCV waitlist created in 2015.



Honorable Chair and
Members of the Board of Commissioners

June 19, 2019
Page 5 of 12

Other Income: Other income includes maintenance fees and late fees, laundry commission, reimbursement billing from the City of Alameda for managing the CDBG, HOME and Rent Stabilization programs, land trust rents for Regent Street and Santa Clara Avenue properties, Island City Development Annual Services Agreement fee, and interest income. Few changes are expected in these areas. Interest income is expected to remain low as interest rates continue to be at historic lows.

One-Time Income: In FY 2019-2020 a developer fee is expected to be received by ICD for Everett Commons and Rosefield Village. Per the Joint Development Agreement with AHA, the fee is split 90% to ICD and 10% to AHA. The total estimated fee to AHA is \$174,300.

OPERATING EXPENSES:

Total operating expenses for FY 2019-20 is \$15,091,055 which is 4% higher than the FY 2018-19 budget. Directors have reviewed their operating expenses closely this year which has led to some decreases, offset by an increased to personnel costs.

Personnel Expenses: The Schedule of Authorized Positions is shown in Attachment E of the proposed budget. AHA personnel direct costs are \$8,122,777 and consist of 54% of the operating budget. (These numbers do not include additional minor personnel costs included in the budget related to Rosefield Village and Eagle Village for the John Stewart Company.) Changes made to this schedule since the prior budget include:

- The removal of one vacant Housing Specialist position in the Housing Program Department.
- The addition of one Management Analyst in the Administration Department; this position would perform a variety of analytical and compliance work agency-wide, with a focus on procurement.
- A shift in staffing of Resident Manager staff that includes one FTE for ABD, rather than one Resident Manager at .6 FTE and one Assistant Manager at .25 FTE. The salary allocated to this property will be used flexibly in the upcoming year to support staffing; initially, the Resident Manager's hours will increase to .75 FTE while weekend support from the Assistant will be reduced by 50%. Further reductions in weekend staffing may occur during the budget period.

This budget for FY 2019-20 also includes the following positions which are currently vacant and not yet at the employment offer stage: Deputy Executive Director, Rent Stabilization Program Specialist, Maintenance Supervisor, Resident Manager (Parrot Village), and Management Analyst (one or two for Administration). All of these positions, with the exception of the Maintenance Supervisor, are in active recruitment process and it is anticipated that these positions will be filled in the coming months.

The budget includes a proposed cost of living adjustment (COLA) of up to 3%. The final amount (which may exceed 3%) will be calculated each year according to the CPI for the San Francisco area as reported from the Bureau of Labor Statistics and proposed to the Board; AHA has historically used the June data and proposed any final COLA adjustment to the Board in August. The COLA, if approved, will be applied retroactively to July 1, and



in accordance with policies contained in AHA's Employee Policies and Procedures Handbook.

AHA provides a maximum flat rate payment for medical and one for dental/vision insurance. This contribution is approved by the Board in August, and goes into effect in January of each year, as premium amounts change on a calendar year (rather than a fiscal year).

Last year, the maximum AHA contribution beginning January 1, 2019 was equivalent to the 2019 Kaiser "employee plus two or more" premium cost of \$1,997.45 per employee per month plus comparable coverage for dental insurance at a cost of \$234.06 per employee per month. Last year the budget under-budgeted for medical and dental, but thanks to vacancies and reduced rates last year, AHA did not exceed the budgeted amounts. This year, staff has budgeted the full amount for medical and dental, so there is a larger than expected increase in this category. The budget also assumes all employees take the medical allowance at the level of the employee plus two or more dependents. Staff has assumed a 7.5% increase in the cost of medical insurance and a 5% increase in other benefit costs over the 2019 rates. Although the Board is approving the budget for these additional funds at this time, the final employer contribution for FY 2020 will be brought to the Board for approval in August 2019, along with the COLA request, after 2020 premiums are released by CalPERS in July.

No additional changes to salary, beyond the COLA are proposed here; however, AHA is currently conducting a compensation study for non-Director exempt positions, and will follow that with a study of non-exempt positions. As that data becomes available, any proposed changes to wage range assignments will be brought to the Board in the form of a revised Pay Schedule and with an estimate of the budgetary impact. Given the currently low levels of unemployment in the Bay Area, staff expect that a number of positions will require repositioning on the salary schedule and there may be a need for increases on the personnel budget in the long term. Also, a full class and compensation study is being recommended as part of the 3-year Strategic Plan. Compensation studies for specific vacant roles may be conducted, if necessary.

Since 2016 staff has been offered vacation payout at least once a year. The amounts paid out in prior years were less than \$10,000 and therefore it has not been separately budgeted for in FY 2019-20. Management intends to offer this opportunity at least annually going forward.

Non-Personnel Expenses: These expenses include costs such as telephone and computer expenses, recruitment, temporary employees, audits, and supplies. Generally, these costs have remained relatively flat year on year with exceptions noted below.



Recruiting fees have also been added as a new budget line item because of the tight job market and the need to fill positions. Utilizing recruitment firms in the current market has resulted in success at filling vacant exempt positions.

Legal Expenses: Legal expenses for general operations are expected to remain relatively flat at approximately \$260,000. These costs include terminations of tenancy, personnel matters, and legal advice on actual and potential claims against the agency. In addition, staff have budgeted for General Counsel to attend each Board meeting in FY 2019-20.

IT Services: A number of IT related lines have increased reflecting increased technology needs in each program, hardware replacements as well as a new database for the Rent Stabilization Program.

Training and Conferences: These budgeted expenses are approximately \$160,000 and are expected to remain more or less flat (against the prior budget). The budget for FY 2018-19 is slightly underutilized, but is expected to be fully utilized in FY 2019-20 due to the filling of vacancies, especially at the management and independent contributor levels, and as an investment in agency-wide training. Best practices for staff training require regularly scheduled professional and housing re-certification training to address changing regulations, and staff will focus some additional agency time and resources on general staff and supervisor training needs. The budget also includes funds for Board training and conferences.

Tenant Services: The salaries for Resident Managers and Assistant Resident Managers are included in this line item. Their benefits are also shown here, in-line with the approach adopted for administrative salaries.

Tenant Activities include a \$20,000 scholarship fund for the Alameda Boys and Girls Club for children and youth who live in Housing Authority complexes or whose families are on a program operated by the Housing Programs Department. This scholarship fund will rise to \$25,000 in FY 2020-21. The budget also includes funds for two full time social workers through the LifeSTEPS social services provider, as in prior years.

Utilities: The amounts budgeted for utilities are based on actual utility expenditures in the current fiscal year or a projected 3% rate increase over last year's budget. If usage for the current year is significantly different than last year's budget, the actual utility expenditure amount was budgeted for FY 2019-20.



General: This line item includes the cost of community policing and auto/property/ liability insurance. The cost for community policing will stay the same at \$210,000 for FY 2019-20 under the Services Agreements with the City. All costs will be met by the rental properties.

Predevelopment Costs are expenses associated with a project under consideration for development (building or extensive rehabilitation) prior to the formal approval process of approving a development and the needed funding. Predevelopment costs for projects that have been green-lighted to move forward are paid by Island City Development (ICD), which was formed to manage real estate development on behalf of AHA. Feasibility studies may be conducted by AHA prior to ICD involvement. AHA Predevelopment Costs that are not covered by ICD are budgeted to be approximately \$100,000 in FY 2019-20 as in prior years.

D: CAPITAL IMPROVEMENT PROJECT (CIP) BUDGET

Attachment D shows the one-year capital budget. The proposed Capital Projects budget for FY 2019-20 includes 5 major repair projects at 5 properties, plus three major real estate development projects. The estimated total cost of these combined projects is \$8,231,000, of which \$7,000,000 is a previously approved loan for the Rosefield Village redevelopment project which is anticipated to start construction in spring 2020.

The identified projects include capital work that is proposed to be contracted in the next fiscal year. Work will be done according to urgency and availability of funds and staff capacity. Once approved in this budget, these projects will be funded from the following sources and where possible, in this order:

- CDBG/HOME or other third party or grant funding
- Cash flow from the specific property

OPERATING BUDGET BY PROGRAM

Property Management: Attachment C shows the operating budgets for each cluster of properties. It should be noted that one AHA-owned property, Rosefield Village, transferred to third party management with the John Stewart Company (JSCO) on July 1, 2017 in order to facilitate the rehabilitation or demolition and rebuild of the site. However, both the income and expense of this property will remain on the AHA books until the property is refinanced with low-income housing tax credits and ownership is transferred to a limited partnership. Eagle Village moved to third party management on February 1, 2019. Four properties (Anne B. Diament, China Clipper Plaza, Stanford House, and Lincoln-Willow Apartments) transferred ownership to AAHC on May 1, 2018. Although these properties are included below for comparison purposes, the AAHC Board will separately approve the AAHC budget. Central costs are allocated using the same Cost Allocation Plan to all properties under AHA and AAHC ownership.



Housing Programs Dept. (HPD) The Housing Programs Department has a budgeted a loss of \$1,453,087 for FY 2019-20, and the projected actual loss for FY 2018-19 is expected to be closer to \$300,000 due to reduced central operating costs and reduced staffing costs. While this loss is not new, the loss has increased due to increases in direct and indirect budgeted staffing costs (including increasing the benefits budget to 100% rather than the proration used last year), a decrease in vouchers leased (which affects the Administrative Fee formula), and due to a change in the allocation of staff in the HPD in the Cost Allocation Plan. Staff will continue to seek ways to keep these costs under budget in the coming year and this is also a goal for the Strategic Plan.

Housing and Community Development (HCD): The Housing and Community Development budget includes real estate, asset management, and City Housing Programs. The City Housing Programs include CDBG, HOME, BMR homeownership, and other related housing initiatives. The City Council approves a separate budget for each of these programs as described below. Approximately half of the HCD staff salaries and benefits are paid by City programs on a reimbursement basis, and all other program costs are directly reimbursed in full by the various program areas. The City's two-year budget for FY 2019-21 is expected to be approved by City Council on June 18, 2019.

In FY 2019-20, the City will receive \$1,122,143 in CDBG grant funds. The funds will be used to fund city-wide social service programs (limited by statute to 15% of the total grant amount), to provide fair housing and tenant counseling services, to perform capital improvement projects, such as water main replacement and accessibility improvements, to make repairs and improvements to rental and owner-occupied housing units, and to pay for administrative costs (limited to 20% of the total grant amount).

In FY 2019-20, the City will receive \$221,998 in HOME funds. The funds are awarded through an Agreement with Alameda County. Up to \$12,763 of the total HOME funds may be used for administrative costs.

The City also maintains two affordable housing funds that are restricted for eligible housing-related purposes. The income is derived from repayment of prior down payment-assistance loans and the in-lieu or linkage fees paid by developers to meet the requirements of the City's Inclusionary Housing Ordinance. In FY 2019-20, sufficient funds have been budgeted to pay for staffing and professional consultants to support affordable housing services and development projects. This includes consultant services to manage the below-market rate (BMR) homeownership program.

In FY 2019-2020 HCD staff will be working on two large development projects – Rosefield Village and North Housing. The predevelopment funding for these projects has been approved and budgeted in prior cycles and ICD is the developer. Additional development opportunities are covered under predevelopment costs, as discussed above.

Housing Successor: In 2012, after the dissolution of redevelopment in the state of California, the City of Alameda became the Successor Agency to the Community Improvement Commission (CIC) and authorized the assumption by the AHA of the rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the CIC, known as the Housing Successor Assets. The expenses associated with



managing the Housing Successor for FY 2019-20 is almost \$200,000 to be paid from existing Housing Successor funds. Salary and benefit costs are limited by State law to \$200,000 annually for Successor Agency Housing Assets administration.

Rent Program (RSP): In FY 2019-20, the Rent Stabilization Program will receive up to \$1,110,000 to administer the Rent Review, Rent Stabilization and Limitations on Evictions Ordinance for the City. The budget assumes the COLA change in benefits allocation to match the agency-wide costs and full staffing. With the exception of the administrative overhead costs, the program is a reimbursement-only program. It is important to note that the \$290,504 deficit in this program is driven primarily by central office costs, including the vacant Deputy Executive Director position. The actual deficit, if any, may be lower. Staff will attempt to include some of these costs as reimbursable when the contract is next negotiated. Although the service agreement with the City ends on June 30, 2020, with all the current and upcoming programmatic changes proposed for the RSP, staff anticipate that the City will need to revise both the service agreement and the budget to address these updates to the program. If this results in the program incurring added costs, due to additional services and staffing required to implement these changes, AHA would request supplementary funds from the City to cover any new expenses.

DISCUSSION OF ACCOUNTING ISSUES

Cost Allocation Plan: The Cost Allocation Plan (CAP) (available on request) is completed at least once a year and allocates costs based on metrics. The metrics range from the number of hours worked on a project to the number of bedrooms in a complex to the amount of expenses paid for an item the prior year. The metrics are mostly pulled from the Agency's database, Yardi, or from verifiable data (such as the number of units in a specific complex). The CAP explains the logic behind the distribution of different costs including legal costs, audit costs, travel and training, and salaries and benefits. Staff calculates out a salary distribution for every position in the Agency based on the position's primary duties and functions. Some positions are allocated to only one department while others are allocated across numerous departments.

The CAP contains the following major changes:

- Creating an indirect cost center for some programs/properties
- Salary Allocations – every year the duties of each employee are reviewed along with the allocation of those duties
- Updated Positions – eliminated positions were removed and new positions were added

Previously the Finance Department underwent a review by Nan McKay & Associates. One recommendation was to replace the CAP with a Cost Pool Plan or other method to capture direct and indirect costs at each property. Staff are currently reviewing a realignment of property costs to an asset management fee-based model to improve tracking of direct and indirect costs to the properties and to better position properties for a refinancing using affordable housing industry best practices. This options model is similar to the Cost Pool Plan recommended by Nan McKay & Associates in 2017. Any



new proposed model would come back to the Board for review and approval prior to implementation. However, due to the amount of work needed and impact on the budgeting process, this is not expected to be implemented before the FY 2020-21 budget.

Fund Transfers: The General Fund is not an operating fund, and therefore does not generate its own cash flow. The only way to get cash into the General Fund is to make transfers from other funds with available excess cash reserves. Staff will make transfers as necessary during the budget year in accordance with the agency's interfund transfer policy.

Data Presentation: In reviewing the final memo staff noted there may be a few minor inconsistencies (usually \$3 or less) in totals between attachments, which is caused by the accounting system rounding of monthly income and expenses. Furthermore, budget numbers for FY 2019-20 includes both depreciation and \$210,000 of policing. These two items were accidentally omitted in certain parts of the FY 2018-19 budget memo but have been corrected on Schedule C to ensure like for like comparison between budget years. The budget to actuals for FY 2018-19 utilizes a discounted benefit budget. For FY 2019-20 this has been corrected to the full benefit cost to ensure the budget can bear the full potential cost. Finally, projected actuals in Schedule A for FY 2018-19 may be somewhat lower than expected for the year end. They reflect actuals to March 31 projected forward to the year end. Expenses tend to lag unit the final quarter of the year and both income and expenses for Rosefield Village (9 months) and Eagle Village (2 months) are not reflect. There is adequate room on the FY 2018-19 budget to absorb any uptick in costs in the final quarter.

Depreciation: Depreciation is an accounting method to recognize the cost of buildings and equipment over time. Per the Capitalization Policy, which was effective July 1, 2016, AHA uses the straight-line method of depreciation. When an asset is purchased, a cash expense is incurred. Depreciation is not a cash expense, but an accrual expense to financially match the expense with the period of usage.

Other: Certain items are not budget items but will impact available cash in FY 2019-20.

- **Jack Capon Villa:** AHA expects to receive approximately \$22,300 principal payment from Jack Capon Villa for the loan it made to the limited partnership.

Payments to CalPERS for Outstanding Liabilities: As a local government agency, AHA has to maintain its books by standards set by the Government Accounting Standards Board (GASB). Each year the GASB sets guidelines for accounting practices and identifies them by number. Starting in FY16, AHA has had to operate by GASB rules, pension, and post-employment liabilities. These rules require all government agencies (States, Counties, Cities, and Special Purpose Local Governments) to report pension and post-employment liabilities up front which have historically been reported on a pay as you go basis by all government entities. Since AHA is a member of the CalPERS retirement system, AHA is required to report each year on any unfunded pension liability. Please note that this budget does not include further GASB-68 or OPEB contributions beyond the \$1 million already made in 2016 for GASB 68 retirement costs and the payment of



Honorable Chair and
Members of the Board of Commissioners

June 19, 2019
Page 12 of 12

\$981,940 made in June 2017 to open the AHA's CBERT 115 trust account for OPEB. A discussion of additional recommendations for a second 115 trust for the retirement liability is being brought to the Board for approval at this meeting.

FISCAL IMPACT

The operating budget for FY 2019-20 reflects an operating surplus of \$531,777 after depreciation and FY 2019-20 shows use of \$8,231,000 of reserves for substantial CIP including the redevelopment of Rosefield Village. The CIP work will be paid from accumulated operating reserves if project-specific funding or property reserves are not available. AHA unrestricted operating reserves as of May 31, 2019 were in excess of \$20 million.

RECOMMENDATION

The Executive Director and staff recommend the Board of Commissioners of the Housing Authority of the City of Alameda approve the Housing Authority's Budget for Fiscal Year 2019-20 including approval of:

- i. Housing Assistance Payment (HAP) Budget and related expenditure of HUD-held HAP reserves (Attachment B)

- iv. Revised Schedule of Authorized Positions to be effective July 1, 2019 (Attachment E)
- v. Transfer by the Executive Director of up to \$1,453,087 in this budget year, as needed, from AHA property reserves to cover losses in the Section 8/Housing Programs operating budget (Attachment C)

Respectfully submitted,

Vanessa M. Cooper
Executive Director

VC:

Attachments:

- Attachment A: Summary of the FY 2019-20 Budget
- Attachment B: Housing Assistance Payments (HAP) 2019-20 Budget
- Attachment C: Detailed Operating 2019-20 Budget
- Attachment D: Capital Improvement Project (CIP) 2019-20 Budget
- Attachment E: Schedule of Authorized positions to be effective July 1, 2019
- Attachment F: Resolution



Housing Authority of the City of Alameda
Attachment A: Summary FY 2019-20 Budget

	FY 18-19		Variance	FY 19-20 Budget	Change	
	Projected Actuals	Budget			Amount	%
Rental	12,179,219	11,973,124	206,094	12,489,060	515,936	4%
Grant (FSS)	61,124	61,124	-	61,124	-	0%
Administrative Fees	1,679,358	1,634,828	44,530	1,765,946	131,118	8%
Other	1,150,282	2,382,541	(1,232,260)	2,688,669	306,128	13%
Operating Income	15,069,982	16,051,618	(981,636)	17,004,799	953,181	6%
Administrative	6,540,309	8,440,713	(1,900,404)	9,345,335	904,622	11%
Tenant/Social Services	790,910	652,185	138,724	798,861	146,676	22%
Utilities	1,172,427	1,302,269	(129,842)	1,209,461	(92,808)	-7%
Maintenance	1,876,411	2,498,136	(621,726)	2,244,970	(253,166)	-10%
General/Other	1,635,500	1,655,733	(20,234)	1,492,428	(163,305)	-10%
Operating Expenses	12,015,557	14,549,037	(2,533,480)	15,091,055	542,018	4%
NET OPERATING INCOME	3,054,426	1,502,581	1,551,844	1,913,744	411,163	27%
HAP income	32,045,203	30,130,914	1,914,289	30,144,267	13,353	0%
HAP Expenses	32,045,203	30,130,914	1,914,289	30,144,267	13,353	0%
NET HAP	-	-	-	-	-	-
Less: Depreciation	1,149,806	1,552,833	(403,027)	1,381,964	(170,869)	-11%
OPERATING INCOME AFTER DEPRECIATION	1,904,619	(50,252)	1,954,871	531,780	582,032	-1158%

\$	47,115,185	\$	46,182,531	\$	932,653	\$	-	\$	47,149,066	\$	966,535	6%
\$	45,210,566	\$	46,232,783	-\$	1,022,217	-\$	-	-\$	46,617,286	-\$	384,503	-7%

Attachment B: HAP pass through

Bessie
Coleman

Program	HAP	Shelter Plus 17 Units	SRO 30 Units	VASH 10 Units	Total	FY 18-19 Budget	Increase/(Decrease) \$	%
HUD subsidy revenue	29,382,876		183,600	131,184	29,697,660	29,844,985	(147,325)	-0.5%
Rental Assistance (from Alameda County)		446,604			446,604	285,929	160,675	56.2%
Total HUD Subsidy Revenue	29,382,876	446,604	183,600	131,184	30,144,264	30,130,914	13,350	
Total Expenses	29,382,876	446,604	183,600	131,184	30,144,264	30,130,914	13,350	0.04%
Operating Income/Loss	-	-	-	-	-	-	-	-

Housing Authority of the City of Alameda
Attachment C: Detailed 2019-20 Operating Budget

	AAHC Owned Properties	AAHA Owned Properties	HCV/Section 8 Operations	Housing & Community Development	Rent Programs	Total FY 2019-20 Budget	Total FY2018-19 Budget	Change Amount	Change %
6999990									
7000000									
7020000									
7020110	-56,615.00	-572,258.00	0.00	0.00	0.00	-628,873.00	-830,156.00	201,283.00	-24%
7020130	0.00	0.00	0.00	0.00	0.00	0.00	-97,812.00	97,812.00	-100%
7030000	475,923.00	3,258,428.00	0.00	0.00	0.00	3,734,351.00	4,050,341.00	-315,990.00	-8%
7030030	0.00	0.00	0.00	0.00	0.00	0.00	14,300.00	-14,300.00	-100%
7030060	0.00	1,733,340.00	0.00	0.00	0.00	1,733,340.00	1,733,345.00	-5.00	0%
7030100	1,427,757.00	6,192,425.00	0.00	0.00	0.00	7,620,182.00	7,117,407.00	502,775.00	7%
7030300	0.00	30,060.00	0.00	0.00	0.00	30,060.00	27,911.00	2,149.00	8%
7050000	1,847,065.00	10,641,995.00	0.00	0.00	0.00	12,489,060.00	12,015,336.00	473,724.00	4%
7100000									
7110010	13,608.00	85,997.00	148.00	34,500.00	0.00	134,253.00	74,925.00	59,328.00	79%
7110011	27,324.00	207,603.00	0.00	51,444.00	0.00	286,371.00	0.00	286,371.00	
7110012	0.00	23,880.00	0.00	0.00	0.00	23,880.00	0.00	23,880.00	
7110013	0.00	0.00	36.00	0.00	0.00	36.00	0.00	36.00	
7110020	892.00	2,098.00	0.00	0.00	0.00	2,990.00	0.00	2,990.00	
7110030	0.00	624.00	0.00	0.00	0.00	624.00	0.00	624.00	
7110060	19,104.00	29,024.00	145.00	0.00	0.00	48,273.00	0.00	48,273.00	
7110070	0.00	7,320.00	0.00	0.00	0.00	7,320.00	0.00	7,320.00	
7110075	7,428.00	19,255.00	0.00	0.00	0.00	26,683.00	30,672.00	-3,989.00	-13%
7110082	0.00	5,364.00	0.00	0.00	0.00	5,364.00	5,364.00	0.00	0%
7110090	0.00	0.00	0.00	0.00	0.00	0.00	390,000.00	-390,000.00	-100%
7110092	0.00	0.00	0.00	1,024,812.00	1,110,000.00	2,134,812.00	1,839,369.00	295,443.00	16%
7150070	0.00	0.00	18,063.00	0.00	0.00	18,063.00	0.00	18,063.00	
7159000	68,356.00	381,165.00	18,392.00	1,110,756.00	1,110,000.00	2,688,669.00	2,340,330.00	348,339.00	15%
8000000									
8010000	0.00	0.00	61,124.00	0.00	0.00	61,124.00	61,124.00	0.00	0%
8020000	0.00	0.00	1,765,946.00	0.00	0.00	1,765,946.00	1,634,828.00	131,118.00	8%
8100120	0.00	0.00	1,827,070.00	0.00	0.00	1,827,070.00	1,695,952.00	131,118.00	8%
8999000	1,915,421.00	11,023,160.00	1,845,462.00	1,110,756.00	1,110,000.00	17,004,799.00	16,051,618.00	953,181.00	6%

Housing Authority of the City of Alameda
Attachment C: Detailed 2019-20 Operating Budget

	AAHC Owned Properties	AHA Owned Properties	HCV/Section 8 Operations	Housing & Community Development	Rent Programs	Total FY 2019-20 Budget	Total FY2018-19 Budget	Change Amount	Change %
9160110	1,776.00	2,272.00	2,100.00	24,000.00	7,428.00	37,576.00	30,504.00	7,072.00	23%
9160111	38,400.00	129,692.00	92,004.00	3,000.00	0.00	263,096.00	266,824.00	-3,728.00	-1%
9160112	756.00	3,872.00	2,460.00	900.00	0.00	7,988.00	9,058.00	-1,070.00	-12%
9160113	0.00	2,004.00	0.00	0.00	0.00	2,004.00	0.00	2,004.00	
9160120	0.00	0.00	0.00	10,200.00	117,132.00	127,332.00	122,212.00	5,120.00	4%
9160130	11,748.00	40,552.00	50,004.00	35,376.00	24,996.00	162,676.00	173,830.00	-11,154.00	-6%
9160160	1,920.00	6,146.00	2,808.00	504.00	0.00	11,378.00	12,705.00	-1,327.00	-10%
9160170	0.00	0.00	3,408.00	0.00	0.00	3,408.00	0.00	3,408.00	
9160180	15,204.00	99,011.00	62,004.00	184,800.00	31,836.00	392,855.00	325,855.00	67,000.00	21%
9160190	28,260.00	99,074.00	97,140.00	0.00	0.00	224,474.00	150,959.00	73,515.00	49%
9160220	17,496.00	61,316.00	60,120.00	5,040.00	81,000.00	224,972.00	127,973.00	96,999.00	76%
9160230	5,868.00	17,708.00	41,196.00	3,000.00	1,068.00	68,840.00	151,030.00	-82,190.00	-54%
9160260	2,436.00	6,280.00	48,000.00	0.00	0.00	56,716.00	54,961.00	1,755.00	3%
9160270	1,740.00	6,637.00	6,912.00	0.00	3,192.00	18,481.00	18,822.00	-341.00	-2%
9160290	2,124.00	7,412.00	7,284.00	0.00	432.00	17,252.00	24,617.00	-7,365.00	-30%
9160510	7,200.00	56,732.00	69,120.00	0.00	0.00	133,052.00	0.00	133,052.00	38%
9169000	0.00	42,000.00	0.00	0.00	0.00	42,000.00	30,422.00	11,578.00	11%
9200000	588,885.00	2,352,204.00	3,239,674.00	1,768,892.00	1,395,680.00	9,345,335.00	8,440,715.00	904,620.00	11%
9210010	0.00	3,444.00	0.00	0.00	0.00	3,444.00	0.00	3,444.00	
9210030	22,956.00	180,620.00	0.00	0.00	0.00	203,576.00	210,000.00	-6,424.00	-3%
9210100	31,066.00	162,197.00	0.00	0.00	0.00	193,263.00	209,845.00	-16,582.00	-8%
9219000	54,022.00	346,261.00	0.00	0.00	0.00	400,283.00	419,845.00	-19,562.00	-5%

Housing Authority of the City of Alameda
Attachment C: Detailed 2019-20 Operating Budget

	AAHC Owned Properties	AHA Owned Properties	HCV/Section 8 Operations	Housing & Community Development	Rent Programs	Total FY 2019-20 Budget	Total FY2018-19 Budget	Change Amount	Change %
9240005	20,884.00	76,290.00	0.00	0.00	0.00	97,174.00	83,548.00	13,626.00	16%
9240020	52,692.00	248,712.00	0.00	0.00	0.00	301,404.00	324,968.00	-23,564.00	-7%
9249000	52,692.00	248,712.00	0.00	0.00	0.00	301,404.00	324,968.00	-23,564.00	-7%
9300000	31,968.00	229,810.00	1,356.00	0.00	0.00	263,134.00	258,621.00	4,513.00	2%
9310000	43,188.00	90,371.00	8,100.00	0.00	0.00	141,659.00	145,021.00	-3,362.00	-2%
9320000	19,512.00	33,934.00	360.00	0.00	0.00	53,806.00	57,948.00	-4,142.00	-7%
9330000	54,972.00	242,105.00	264.00	0.00	0.00	297,341.00	328,399.00	-31,058.00	-9%
9380010	64,308.00	387,005.00	2,208.00	0.00	0.00	453,521.00	512,280.00	-58,759.00	-11%
9390000	213,948.00	983,225.00	12,288.00	0.00	0.00	1,209,461.00	1,302,269.00	-92,808.00	-7%
9399990									
9400000									
9410010	147,216.00	563,974.00	0.00	0.00	0.00	711,190.00	720,835.00	-9,645.00	-1%
9419000	147,216.00	563,974.00	0.00	0.00	0.00	711,190.00	720,835.00	-9,645.00	-1%
9420005									
9420010	33,168.00	207,444.00	1,404.00	0.00	0.00	242,016.00	249,750.00	-7,734.00	-3%
9420020	1,464.00	5,244.00	0.00	0.00	0.00	6,708.00	6,708.00	0.00	0%
9429000	34,632.00	212,688.00	1,404.00	0.00	0.00	248,724.00	249,750.00	-1,026.00	0%
9429005									
9429015	0.00	55,365.00	0.00	0.00	0.00	55,365.00	298,915.20	-243,550.20	-81%
9429040	0.00	0.00	0.00	0.00	0.00	0.00	32,016.84	-32,016.84	-100%
9429030	0.00	10,008.00	0.00	0.00	0.00	10,008.00	0.00	10,008.00	0%
9429060	8,364.00	66,286.00	204.00	0.00	0.00	74,854.00	74,567.40	286.60	-12%
9429100	22,416.00	114,251.00	2,004.00	0.00	0.00	138,671.00	156,716.76	-18,045.76	33%
9430010	12,504.00	22,280.00	0.00	0.00	0.00	34,784.00	26,184.96	8,599.04	-9%
9430020	2,064.00	25,614.00	0.00	0.00	0.00	27,678.00	30,411.96	-2,733.96	-12%
9430030	19,284.00	107,471.00	228.00	0.00	0.00	126,983.00	143,988.12	-17,005.12	-2%
9430040	17,172.00	19,583.00	1,056.00	0.00	0.00	37,811.00	38,702.88	-891.88	3%
9430060	21,936.00	17,040.00	1,008.00	0.00	0.00	39,984.00	38,886.00	1,098.00	-1%
9430070	9,480.00	39,964.00	180.00	0.00	0.00	49,624.00	50,058.12	-434.12	-1%
9430080	360.00	23,159.00	0.00	0.00	0.00	23,519.00	23,752.32	-233.32	-1%
9430090	6,780.00	31,358.00	3,456.00	0.00	0.00	41,594.00	59,042.04	-17,448.04	-30%
9430100	0.00	0.00	0.00	0.00	0.00	0.00	5,518.56	-5,518.56	-100%
9430110	1,416.00	14,312.00	0.00	0.00	0.00	15,728.00	15,758.40	-30.40	0%
9430120	0.00	0.00	0.00	0.00	0.00	0.00	8,248.20	-8,248.20	-100%
9430130	3,228.00	51,198.00	0.00	0.00	0.00	54,426.00	54,877.56	-451.56	-1%
9430140	1,404.00	5,403.00	120.00	0.00	0.00	6,927.00	5,623.56	1,303.44	23%

Housing Authority of the City of Alameda
Attachment C: Detailed 2019-20 Operating Budget

	AAHC Owned Properties	AHA Owned Properties	HCV/Section 8 Operations	Housing & Community Development	Rent Programs	Total FY 2019-20 Budget	Total FY2018-19 Budget	Change Amount	Change %
9430150	Maintenance Contracts - Janitorial	126,468.00	7,704.00	0.00	0.00	169,848.00	116,588.88	53,259.12	46%
9439000	TOTAL MAINTENANCE CONTRACTS	729,760.00	15,960.00	0.00	0.00	907,804.00	1,179,858.00	-272,054.00	-23%
9450005	MAINTENANCE EMPLOYEE BENEFITS								
	Maint Employee Benefits	297,549.00	0.00	2,040.00	0.00	377,252.00	347,694.00	29,558.00	9%
9459000	TOTAL MAINTENANCE EMPLOYEE BENEFITS	297,549.00	0.00	2,040.00	0.00	377,252.00	347,694.00	29,558.00	9%
9499000	TOTAL MAINTENANCE	1,803,971.00	17,364.00	2,040.00	0.00	2,244,970.00	2,498,137.00	-253,167.00	-10%
9500000	GENERAL EXPENSES								
9500100	Interest Expense	29,004.00	1,130,095.00	0.00	0.00	1,159,099.00	1,127,127.00	31,972.00	3%
	Insurance	30,216.00	160,877.00	8,580.00	4,824.00	233,333.00	428,607.00	-195,274.00	-46%
9698000	TOTAL GENERAL EXPENSES	1,290,972.00	28,836.00	8,580.00	4,824.00	1,392,432.00	1,555,734.00	-163,302.00	-10%
9699000	TOTAL OPERATING EXPENSES	7,101,635.00	3,298,162.00	1,779,512.00	1,400,504.00	14,991,059.00	14,659,040.00	332,019.00	2%
9710000	EXTRAORDINARY EXPENSES								
9710090	Pre-development Cost	0.00	0.00	99,996.00	0.00	99,996.00	100,000.00	-4.00	0%
9719000	TOTAL EXTRAORDINARY EXPENSES	0.00	0.00	99,996.00	0.00	99,996.00	100,000.00	-4.00	0%
9739500	OTHER EXPENSES								
9740000	Depreciation Expense	235,656.00	1,145,924.00	384.00	0.00	1,381,964.00	1,552,833.00	-170,869.00	-11%
9859999	TOTAL OTHER EXPENSES	235,656.00	1,145,924.00	384.00	0.00	1,381,964.00	1,552,833.00	-170,869.00	-11%
9996000	TOTAL EXPENSES	1,646,902.00	8,247,559.00	3,298,546.00	1,879,508.00	16,473,019.00	16,311,873.00	161,146.00	1%
9998000	NET INCOME	268,519.00	2,775,601.00	-1,453,084.00	-768,752.00	531,780.00	-260,255.00	792,035.00	-304%

**Housing Authority of the City of Alameda
Schedule of Authorized Positions
July 1, 2019**

Department/Position Title	Approved 8/15/18	2019-2020 Proposal	Year on Year
	Approved FTE 2019	Proposed FTE 2020	Difference
Administration Department			
Executive Director	1.00	1.00	
Deputy Executive Director	1.00	1.00	
Director of HR and Operations	1.00	1.00	
Executive Assistant	1.00	1.00	
Senior Management Analyst	1.00	1.00	
Management Analyst	2.00	3.00	
Program Assistant	1.00	1.00	
Sub-total	8.00	9.00	1.00
Finance Department			
Director of Finance	1.00	1.00	
Controller	1.00	1.00	
Accounting Officer (See Note C)	1.00	1.00	
Accounting Specialist	2.00	2.00	
Sub-total	5.00	5.00	0.00
Housing Programs Department			
Director of Housing Programs	1.00	1.00	
Housing Programs Supervisor	2.00	2.00	
Housing Specialist III	1.00	1.00	
Housing Specialist I & II (See Note B)	7.00	6.00	
Housing Assistant	2.00	2.00	
Sub-total	13.00	12.00	-1.00
Property Operations Department			
Director of Property Operations	1.00	1.00	
Property Management Supervisor	1.00	1.00	
Project Manager (See Note D)	0.00	1.00	
Housing Specialist I/II (See Note B)	2.00	2.00	
Maintenance Supervisor	1.00	1.00	
Maintenance Technician I & II (See Note B)	6.00	6.00	
Maintenance Specialist	1.00	1.00	
Resident Manager I and II (See Notes A and B)	4.13	4.25	
Assistant Resident Manager (See Note A)	0.50	0.25	
Sub-total	16.63	17.50	0.87
Housing and Community Development Department			
Director of Housing and Community Development	1.00	1.00	
Senior Project Manager	1.00	1.00	
Project Manager	2.00	1.00	
Asset Manager	1.00	1.00	
Management Analyst	2.00	2.00	
Program Assistant	1.00	1.00	
Sub-total	8.00	7.00	-1.00
Rental Stabilization Department			
Director of Rent Stabilization	1.00	1.00	
Management Analyst	1.00	1.00	
Rental Stabilization Program Specialist	3.00	3.00	
Program Assistant	1.00	1.00	
Sub-total	6.00	6.00	0.00
Total	56.63	58.50	-0.13

Note A: Resident employees are contracted employees and are required to reside on-site at assigned Housing Authority complexes. Each Resident employee has an individual at will employment contract.

Note B: Positions at the I and II levels are combined as a total count to allow for flexibility in staffing.

Note C: Position may be renamed or filled at a lower level

Note D: This position was moved from HCD; half of salary is funded by City of Alameda

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

APPROVING AND ADOPTING
HOUSING AUTHORITY’S ONE YEAR BUDGET
FOR THE FISCAL YEAR ENDING JUNE 30, 2020

WHEREAS, the Executive Director has submitted a one year proposed budget to the Board of Commissioners of the Housing Authority of the City of Alameda; and

WHEREAS, the Housing Authority has sufficient operating reserves to meet the working capital needs of its properties; and

WHEREAS, the proposed budget includes expenditures that are necessary for the efficient and economical operation of the housing for the purpose of serving low-income residents; and

WHEREAS, the proposed budget indicates a source of funds adequate to cover all proposed expenditures; and

WHEREAS, the Housing Authority will comply with all state and federal wage rate requirements where applicable and requirements for access to records and audits.

WHEREAS, the proposed FY 2019-2020 budget includes approval of

- i. Revised Schedule of Authorized Positions to be effective July 1, 2019
- ii. Transfer by the Executive Director of up to \$1,453,084 in this budget year, as needed, from AHA property reserves to cover losses in the Section 8/Housing Programs operating budget.

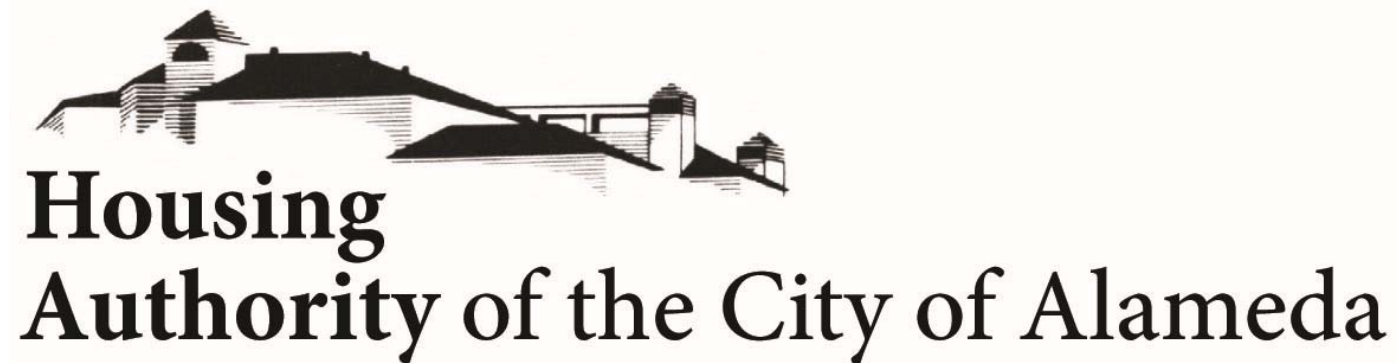
NOW, THEREFORE. BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of the City of Alameda hereby adopts the Housing Authority’s Budget Revision No. 1 for the fiscal year ending June 30, 2020.

ATTEST:

Vanessa M. Cooper
Secretary and Executive Director

Kenji Tamaoki, Chair
Board of Commissioners

Adopted: _____



Budget Presentation For FY 2019-2020

June 19, 2019

FY 2019-20 Budget Highlights

(Attachment A)

Housing Authority of the City of Alameda								
Attachment A: Summary FY 2019-20 Budget								
	FY 18-19				FY 19-20		Change	
	Projected Actuals	Budget	Variance		Budget	Amount	%	
Rental	12,179,219	11,973,124	206,094		12,489,060	515,936	4%	
Grant (FSS)	61,124	61,124	-		61,124	-	0%	
Administrative Fees	1,679,358	1,634,828	44,530		1,765,946	131,118	8%	
Other	1,150,282	2,382,541	(1,232,260)		2,688,669	306,128	13%	
Operating Income	15,069,982	16,051,618	(981,636)		17,004,799	953,181	6%	
			-					
Administrative	6,540,309	8,440,713	(1,900,404)		9,345,335	904,622	11%	
Tenant/Social Services	790,910	652,185	138,724		798,861	146,676	22%	
Utilities	1,172,427	1,302,269	(129,842)		1,209,461	(92,808)	-7%	
Maintenance	1,876,411	2,498,136	(621,726)		2,244,970	(253,166)	-10%	
General/Other	1,635,500	1,655,733	(20,234)	-	1,492,428	(163,305)	-10%	
Operating Expenses	12,015,557	14,549,037	(2,533,480)		15,091,055	542,018	4%	
			-					
NET OPERATING INCOME	3,054,426	1,502,581	1,551,844		1,913,744	411,163	27%	
			-					
HAP income	32,045,203	30,130,914	1,914,289		30,144,267	13,353	0%	
HAP Expenses	32,045,203	30,130,914	1,914,289		30,144,267	13,353	0%	
NET HAP	-	-	-		-	-		
Less: Depreciation	1,149,806	1,552,833	(403,027)		1,381,964	(170,869)	-11%	
OPERATING INCOME AFTER DEPRECIATION	1,904,619	(50,252)	1,954,871		531,780	582,032	-1158%	

Budget Structure

AAHC

- 4 properties transferred May 1, 2018
- Presented here in operating budget but will be approved in separate meeting

Overall Includes:

- **Section 8 Housing Assistance Payments** (HAP pass-through)
- **Operating income and Expenses**
 - Properties, Section 8 Admin fee, CDBG, HOME, Successor Agency, Rent Program etc.
- **Capital Improvement Projects** (CIP)

Does not include:

- Island City Development (ICD)

Methodology

FY 2019-20 Budget

- A complete update of personnel costs as these form 54% of the expense budget
- Revised rental income to reflect a minor increase in contract rent for 2020 (4% over the year)
- Expenses adjusted for actual or in some cases increased 3%

HAP Budget Highlights

(Attachment B)

Section 8 Housing Assistance Payments

(HAP pass-through)

- Total HAP for FY 2019-20 - \$30,144,267
- HAP is received by AHA and paid to landlords housing Section 8 tenants
- Federal funds must be kept separate from all other Housing Authority funds
- Assumes leasing of 18,024 units (1,502 per month), compared with 17,626 units (or 1,469 per month) for prior year.
- Reserves were \$473,475 on April 30, 2019. Held off balance sheet by HUD.

Use of HAP / Lease Up

- After shortfall, agencies have a short period to ramp up leasing or lose budget authority at year end.
- Less than 95% lease up for 2019 will impact SEMAP High Performer status
- Lease up options include
 - Issuance of 150 tenant based vouchers to those on waitlist
 - Absorption of port-ins
 - Retaining landlords by providing contract rent increases in a timely manner
 - Issuance of PBV RFP
 - Increasing contract rents on PBV units and AHA owned voucher units

Operating Budget Highlights

(Attachment C)

Operating Income

- FY 2019-20 Total Operating Income is \$17,004,796 or 6% higher
- Due to increased tenant revenue (less vacancy, higher contract rents), increased investment income, higher professional services fees.

Income sources:

- **Rental income** from tenants in AHA-owned properties
- **Rental subsidy (HAP)** received for Section 8 recipients in AHA-owned properties
- **Tax Increment Funding (TIF or CIC)** for Independence Plaza (may be lower than budgeted as rental income is increasing with voucher move-ins)
- **Grant Income** for the Family Self Sufficiency (FSS) program
- **Administrative Fee Income:**
 - Only to cover the cost of administration for the Section 8 programs
 - Included at a proration of 79%
- **Other income** – interest, CDBG, HOME etc.

Operating Expenses

- FY 2019-20 Total operating expenses is \$15,091,055 or 4% higher
- Due mainly to staffing costs
- More detailed line-by-line breakdown in Attachment C
- Increases include
 - Salary and Benefits
 - Legal
 - Recruiting costs (separately budgeted this year)

Salary & Benefits

- **Schedule of Authorized Positions (Attachment E):**
 - FY 2018-19 56.63 (FTE) FY 2019-20 56.50 (FTE)
 - A small number of position changes in Housing Programs, Property Operations, and Executive
- **COLA 3%**
 - A proposed COLA of 3% for all employees, except Y-rated staff
 - Staff will come back to BOC in Aug/Sept. with COLA data
- **Benefits:**
 - 5% -7% increase in maximum AHA contribution assumed
 - Assumes employee plus 2 dependents for all regular employees (2018-19 was under budgeted)
 - Staff will come back to BOC in Aug/Sept. with updated benefit costs
- **Salary Survey**
 - Director level increases from the 2018 salary survey are included here. Any impacts from the 2019 salary surveys for exempt and hourly staff are not included here as the surveys are not completed. Headroom in the benefits line may allow budget for any increases that these may deliver.

Capital Improvement Projects (CIPs)

(Attachment D)

Capital Improvement Projects

- 8 projects valued at \$11,231,000 (\$3,000,000 approved in 2018-19)
- Sources to pay for these include:
 - Third party or grant funding (where available)
 - Property specific reserves held by lenders/bond holders, subject to their approval or held by AHA
 - Cash flow from the specific property or other properties

Operating Budget By Program

AHA Properties

- Assumes 3% vacancy except Rosefield Village due to capital projects
- Increases in contract rent for all sites spread over the calendar year
- Rightsizing families (in same property, if possible) to minimize rent increase impact on tenants and maximize housing uses
- Excess cash may be used for capital projects and to subsidize Section 8
- Two properties at third party management. AHA will reissue the RFP this year for management. Other properties may be moved as necessary.

Housing Programs Department

- Administrative Fee

• Revenues from Administrative Fees	\$ 1,765,946
• Other Revenue	\$ 79,516
• Expenses	\$ 3,298,546

Net Loss	(\$1,453,084)

- Cost issues – fourth year of losses

- Actual projected loss for FY 2018-19 is much lower than expected due to staff vacancies and some cost efficiencies. Budgeted loss for 2018-19 was \$1,253,175, but expected actual loss is approximately \$300,000.
- Reduced leasing due to shortfall leads to lower admin fees
- Streamlining initiatives with HUD upcoming (e.g. triennial recerts)
- Eliminated two FTE unfilled positions in two years
- Staffing may need to be reallocated/reduced in future years to balance the Section 8 budget

- Proposed Board Action

- Approve fund transfer of up to \$1,453,084 in next year, from Property operating reserves to the Housing Choice Voucher Program.

Items That Will Impact Cash in FY 2019-20

- Principal payments (can be met from property cash flow)
- Any additional Pension Liability or OPEB payments approved by the Board in the next fiscal year. See agenda item on pension liabilities

Summary

- Operating surplus \$1,913,744
- CIP \$11,231,000
- Cash and investments at March 31, 2019 in excess of \$20 MM

Staff Recommendation

Adoption of the Housing Authority's Budget for Fiscal Years 2019-20 Including Approval of:

- Housing Assistance Payment (HAP) Budget (Attachment B)
- Operating Income and Expenses (Attachment C)
- Capital Improvement Project (CIP) Budget and related use of property and agency reserves and surplus operating cash from Fiscal Years 2019-20 to cover these expenses (Attachment D)
- Revised Schedule of Authorized Positions to be effective July 1, 2019 (Attachment E)
- Transfer by the Executive Director of up to \$1,453,084 in the budget year, as needed, from AHA property reserves to cover losses in the Section 8/Housing Programs operating budget.



Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Vanessa M. Cooper, Executive Director

Date: June 19, 2019

RE: Accept a Presentation and Discussion on AHA's Obligation and Options to Prefund Pension Liabilities and Provide Direction to Staff on Pre-funding of the Pension Liability. Board to Take the Following Actions: (a) Approve a Payment of Up to \$538,000 to CalPERS by June 30, 2019 for the FY 2018-19 Required Payment; (b) Authorize the Executive Director or Designee to Establish a 115 Trust and to Prefund that Account in an Amount Up to a Maximum of \$2,200,000 (the Total Unfunded Liability on a Projected Basis) (c) Approve the Executive Director to Make 1/12 of Those Payments in Equal Amounts to Allow for Dollar Cost Averaging (c) provide direction to staff on the selection of an amortization period of 10 years or 15 years, an investment strategy and an target ROR (4 or 5%) (d) Amend the FY 2019-20 Budget to Include Any Amounts Approved for the Establishment of the Trust (e) Select a 115 Trust from PARS or CalPERS and the Investment Strategy as Conservative/ Moderately Conservative or Its Equivalent

BACKGROUND

The Government Accounting Standards Board (GASB) has mandated disclosure of pension liabilities for all government employers beginning in 2018.

AHA issued a Request for Proposal (RFP) for an independent assessment of pension liabilities and to make recommendations of possible improvements in regards to AHA Actuarial Funding Policy and the benefit structure of AHA. The Nicolay Consulting Group (NCG) was retained to provide the analysis and complete the detailed actuarial report to be incorporated into the audited financial statement each year.

In January 2019, the Board heard a presentation by NCG that noted a total present value of future benefits of \$19.0 million and an end of year net pension liability for June 30, 2017 of \$2.1 million (\$15.7 million in accrued liability compared to \$13.6 million in proportionate share of assets in CalPERS Misc. Plan Trust). The latter was booked as a net pension liability as of June 30, 2018 and was included in the 2017-18 audit.

The goal of GASB 78 is to match recognition of retirement costs with the periods during which the benefit is earned. The entry age normal cost method, which NCG can explain in more detail in its presentation, effectively meets this goal in most circumstances.



Honorable Chair and
Members of the Board of Commissioners

June 19, 2019
Page 2 of 4

DISCUSSION

Staff is recommending the establishment of a 115 Trust, similar to the one previously created for Other Post Retirement Benefit (“OPEB liabilities”). The advantages of such a trust is that funds are set aside early to offset long term pension liabilities and can take advantage of long term investment strategies.

NCG will be available to discuss options for the Board in relation to AHA’s forthcoming obligations under GASB 68 and to determine the Board’s willingness to prefund the plan.

The Board will be asked to discuss and decide on the following:

1. The Amount of Prefunding:
 - a. Zero – Contribute only the CalPERS annual required contributions
 - b. Partial – e.g., prefunding of \$1 million or \$1.5 million with annual payments going forward for 10 or 15 years (recommended)
 - c. Full – Contribution of \$2.2 million

2. The Medium for Prefunding:
 - a. AHA 115 Trust (not recommended)
 - b. CEPPT (California Employers' Pension Prefunding Trust)- CalPERS 115 Trust (recommended subject to further information from CalPERS)
 - c. PARS (Public Agency Retirement Services) 115 Trust
 - d. No trust – payment directly to CalPERS

3. The Timing of Prefunding:
 - a. Options are before June 30, 2019 (PARS), after July 1, 2019 (CEPPT)
 - b. Authorize staff to use dollar averaging to deposit the upfront amount within 12 months of the initial deposit. The Board may wish to give direction on frequency of payments.

4. The Investment Strategy:
 - a. This is dependent on the medium chosen for prefunding and the amount chosen; however, staff recommends that a Conservative to Moderately Conservative approach (or its equivalent in PARS) be adopted due to short-term nature of the Trust.

It is important for the Board to note that decisions regard the investment strategy will return to the Board if staff recommends a change. The performance of the 115 Trust will be presented annually as part of the single audit.

The presentation will start on slide 20 as the prior presentation which took place in January 2019 covered much of the information in earlier slides. If the Board has additional questions on previous presentation slides, please raise them during the current presentation as the NCG consultant will be present to answer questions.



Honorable Chair and
Members of the Board of Commissioners

June 19, 2019
Page 3 of 4

Six scenarios are presented with the following variables on pages 29-36

- \$1 million or \$1.5 million contribution
- 4% or 5% ROR
- 10 or 15 years

It is important to note that an initial annual payment is due to CalPERS by June 30, 2019. If only the required payment is made to CalPERS, this amount is expected to be approximately \$408,000 but if the Board decides to use a 10-year amortization then a payment of \$538,000 should be made prior to June 30, 2019 but if a 115 Trust is established this cost will be higher. This may impact the Board's decision on the initial contribution amount. Approval for this additional expense is added in the recommendation.

The Board has previously asked about both the cost of the two 115 Trust options and their performance. Data on the performance is provided for illustrative purposes on slide 48-52. Data on fees can be found on slide 53.

FINANCIAL IMPACT

A net pension liability of \$2.2 million will be booked for June 30, 2019 and will be included in the 2018-19 audit. Under GASB 68 the expected total pension liability for 2018-19 is \$17.0 million.

In the event that the Board decides to pre-fund up to the \$2.2 million unfunded amount, these funds would be set aside from Local Agency Investment Fund (LAIF) or California Asset Management Program (CAMP) and would reduce the available cash for development and other agency activities. The Agency currently has \$21 million available in assets.

Staff would use a dollar cost averaging approach and therefore would deposit the initial amount over the course of the 12 months. The Board may wish to give direction on the frequency and amounts of initial deposits for that purpose. Administrative costs of opening and managing a shared 115 Trust can be met from the 2019-20 proposed budget, as can the ongoing contract with NCG for actuarial services.

RECOMMENDATION

Accept a presentation and discussion on AHA's obligation and options to prefund pension liabilities and provide direction to staff on pre-funding of the pension liability. Board to take the following actions: (a) Approve a payment of up to \$538,000 to CalPERS by June 30, 2019 for the FY 2018-19 required payment; (b) Authorize the Executive Director or Designee to establish a 115 Trust and to prefund that account in an amount up to a maximum of \$2,200,000 (the Total Unfunded Liability on a Projected Basis) (c) Approve the Executive Director to make 1/12 of those payments in equal amounts to allow for dollar cost Averaging (c) Provide direction to staff on the selection of an amortization period of 10 years or 15 years, an investment strategy and an target ROR (4 or 5%) (d) Amend the



Honorable Chair and
Members of the Board of Commissioners

June 19, 2019
Page 4 of 4

FY 2019-20 Budget to include any amounts approved for the establishment of the Trust (e)
Select a 115 Trust from PARS or CalPERS and the Investment Strategy as
Conservative/Moderately Conservative or its equivalent.

Respectfully submitted,



Vanessa M. Cooper
Executive Director

VMC/MMW

Attachment:

- Presentation by NCG for June 19, 2019



CalPERS Miscellaneous Plan Housing Authority of the City of Alameda (AHA)

Pension Stabilization Strategy Study

June 19, 2019

Presented by:
Nicolay Consulting Group



Purpose

- The purpose of this presentation is to present alternative funding strategies for the CalPERS Miscellaneous Plan {a Cost Sharing Multiple-Employer Defined Benefit Plan of the Housing Authority of the City of Alameda (AHA)} to mitigate the increasing volatility in the annual required contributions.

Table of Contents

1. Overview of AHA’s CalPERS Misc. Pension Plan
2. Overview of CalPERS Funding Policy
3. Current CalPERS Projected Costs
4. Determining Alternate Funding
5. Funding Vehicles

Appendix

3

1

Overview of AHA’s CalPERS Misc. Pension Plan

4

What is a Pension Plan?

- **Pension Plan** is an exchange between the employer and employee where the employee agrees to work for the employer, and the employer agrees to provide the employee a “benefit” at retirement.



- There are two main categories of pension benefits
 - Defined Contribution:
 - Employer contributes a certain amount of money to the employee’s **retirement account** each year.
 - For example: matching and/or profit sharing contributions.
 - Defined Benefit:
 - The employee earns a “portion” of monthly **retirement benefit** per year predetermined by a formula.
 - For example, a monthly payment equals to x% of his/her compensation payable when an employees attained a certain age.
- The CalPERS Misc. Pension Plan is a **Defined Benefit type plan**.
 - The terms of the Plan are set by the State and cannot be changed.

5

Who is eligible?

- Public Employees’ Pension Reform Act
 - (Classic)
 - Employees (participants) hired or a member elsewhere before 1/1/2013.
 - 2) PEPRA Miscellaneous Plan of the Housing Authority of the City of Alameda (PEPRA)
 - Employees (participants) hired after 1/1/2013.
- Both plans are funded both by the employer and employee. However, PEPRA law requires PEPRA participants to accept more responsibility in funding their pension (at least 50% of the normal cost rate).
- The “Miscellaneous Plan” is a risk sharing pooled plan within CalPERS for small to medium size agencies (2,356 agencies, 100K participants).

The CalPERS Misc. Plan	June 30, 2018(\$B)
Entry Age Accrued Liability(GASB 68 TPL)	\$16.9
Market Value of Assets	<u>13.1</u>
Unfunded Accrued Liability (UAL)	\$3.8

6

AHA's Eligibility Requirements & Benefit Formulas

- Retirement benefit is based on number of *years of service at eligible agencies*, *benefit factor*(which is a percentage based on retirement age), and *final compensation*, which is the highest average 12 month annual compensation throughout the participant's career.
- Two groups of members

Classifications	Date of Hire or Membership
Classic	Prior to January 1, 2013
PEPRA	On/after January 1, 2013

- A Classic CalPERS members become eligible upon attainment of age 50 (PEPRA, age 52) and at least 5 years of credited service (total service across all CalPERS employers, and with certain other retirement systems with which CalPERS has reciprocity agreements).

7

AHA's Eligibility Requirements & Benefit Formulas

- Classis Members Sample Benefit Factor* percentages are shown:

Retirement Age	2% per eligible year at 55
50	
	2.000%
60	2.262%
63 & up	2.418%

- PEPRA Members Sample Benefit Factor* percentages are shown:

Retirement Age	2% per eligible year at 62
52	1.000%
55	1.300%
60	1.800%
65	2.300%

*Final average compensation period is one-year for Classic and three-year for PEPRA participants

8

AHA's Eligibility Requirements & Benefit Formulas

- AHA's Misc. Plan Participants as of June 30, 2017*:

Members	Classic	PEPRA
Actives	30	16
Transferred	30	2
Separated	10	7
Retired	<u>13</u>	<u>0</u>
Total	83	25

* Based on CalPERS Annual Valuation Report August, 2018.

9

2

Overview of Funding Policy

What is the Funding Policy?

- **Funding Policy** describes how to finance the retirement benefits already accrued to date and benefits going to be accrued in the future.
- AHA has the statutory requirement to pay the minimum contribution annually required by the CalPERS system, which consist of:
 - Normal Cost, plus
 - Amortizations of the Unfunded Accrued Liability (UAL).
- Accrued Liability is the hypothetical amount of plan asset needed at the time of measurement based on a pre-determined trajectory to achieve full-funding using actuarial assumptions.
- Unfunded Accrued Liability is the portion of Accrued Liability NOT YET covered by assets.
- Who contributes:
 - Employees are responsible for paying a portion of the Normal Cost.
 - Employers are responsible for paying the remaining portion of the Normal Cost and amortization of the Unfunded Accrued Liability.

11

What is the current funding status of the AHA CalPERS Misc. Plan?

12

The Latest CalPERS Valuation Results (as of June 30, 2017)

	June 30, 2017 (in millions)
Entry Age Normal Accrued Liability(EANAL- past liabilities)*	\$15.7
Plan's Market Value of Assets(MVA)	<u>13.6</u>
Unfunded Accrued Liability (UAL)	\$ 2.1
Funded Ratio (MVA/EANAL) %	87%

- Assumptions & Methods are prescribed by the CalPERS Board of Administration according provisions set forth in the California Public Employees' Retirement Law.
- * Did not reflect any anticipated changes in discount rate after June 30, 2017. Discount rate is scheduled to change to 7.00% as of June 30, 2018.
- Present Value of Future Benefits (past & future liabilities)as of June 30, 2017 is \$18.8M.

13

Page 4 of the CalPERS 6/30/2017 Actuarial Valuation Report

	Fiscal Year 2018-19	Fiscal Year 2019-20
Estimated Employer Contributions Based on Projected Payroll		
Plan's Estimated Employer Normal Cost	\$ 330,200	\$ 299,782
Plan's Payment on Amortization Bases ⁴	85,024	124,549
% of Projected Payroll (illustrative only)	2.614%	4.515%
Estimated Total Employer Contribution	\$ 415,224	\$ 424,331
% of Projected Payroll (illustrative only)	12.766%	15.383%

AHA's 2019-20 Estimated Employer Contributions:

424,331 (2019-2020 MRC) = 299,782 (Employer's NC) + **124,549 (Amortization of UAL)**

- Normal Cost is relatively stable each year. However, the amortization of Unfunded Accrued Liability is increasingly volatile over the years due to changes in assumptions to value liabilities and unexpected investment losses.

14

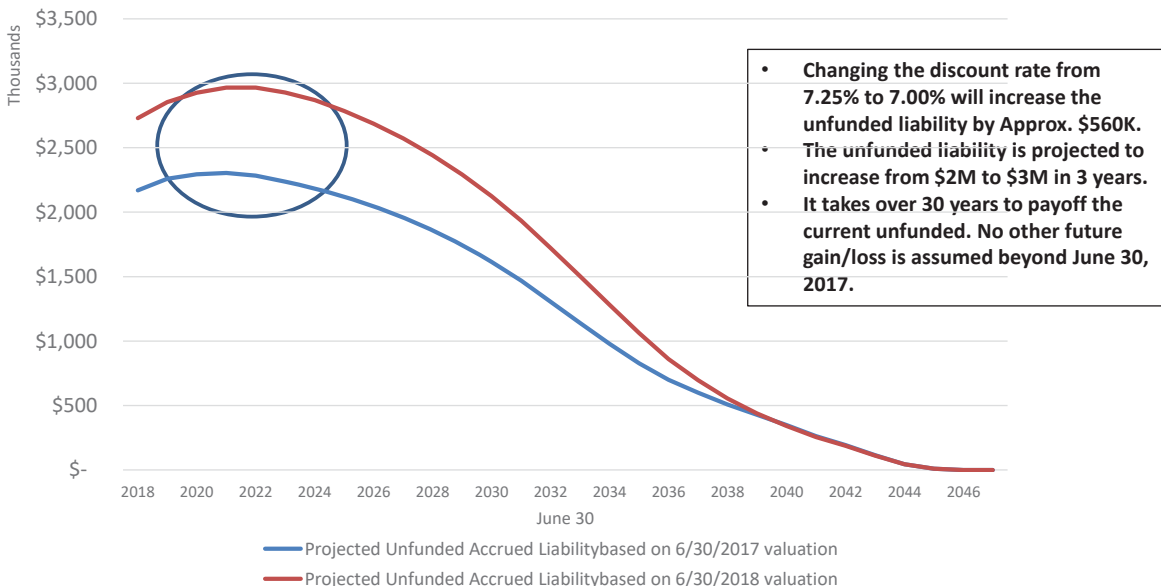
Scheduled Discount Rate Change In Next Year's Valuation

CalPERS Assumptions	Rate
Payroll Increase (CalPERS Rate)	2.875%
Discount Rate June 30, 2017(Current)	7.250%
Discount Rate June 30, 2018 (on/after*)	7.000%

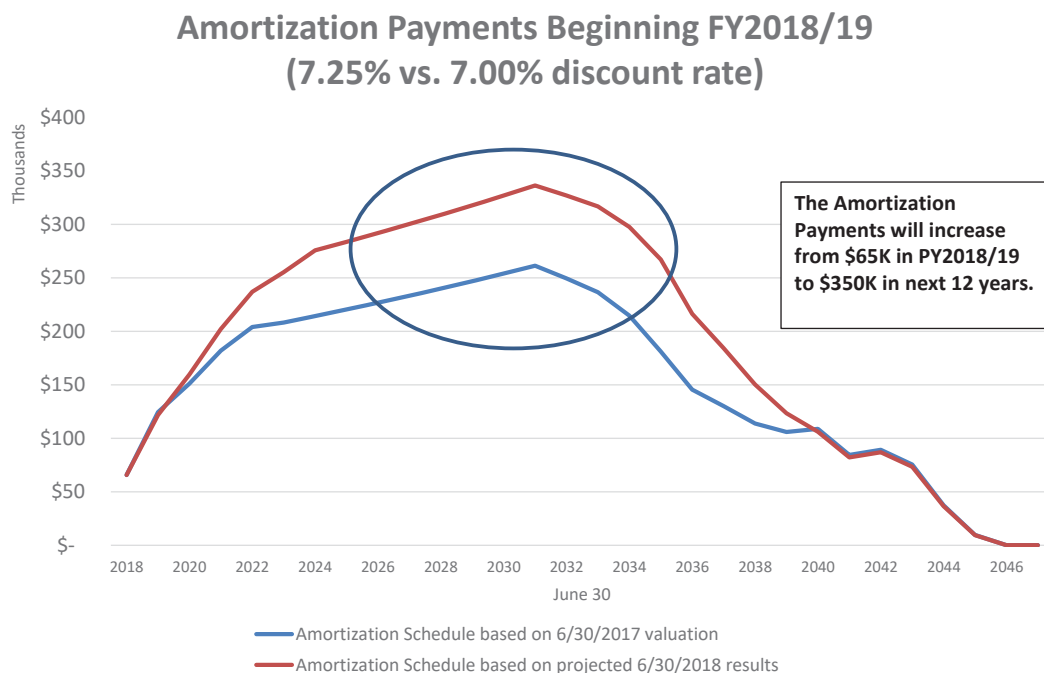
*Discount rate may change after June 30, 2018

Anticipated Increase in Accrued Liability In Next Year's Valuation

Unfunded Pension Liability Comparison
(7.25% vs 7.00% discount rate)



Anticipated Increase in Annual Payments towards UAL



17

What you need to know - CalPERS Current Funding Policy

- **Current Funding Policy:** Minimum Required Contribution by CalPERS
 - Initial Unfunded Actuarial Accrued Liability(UAL) is amortized over 20 years from 2013.
 - Subsequent unexpected changes in liabilities due to experience gain/loss are “Phase-In” over 30 years (2-year delay with 5-year “Phase-in” method)
 - Changes in actuarial assumptions are amortized over 20 years. (also, “Phase-In” method)
- **2-years delay with 5-year “Phase-In” period**
 - For the first two years, the amortization amount is zero.
 - After the two-year waiting period, amortization payments are “Phase-In” over five years, by a factor of 20%, 40%, 60%, 80%, and 100% of the annual payment.
 - Unfunded liability will increase with interest when less than 100% of the annual payments are not paid.

18

Comparison of CalPERS' 5 Year "Phase-In" Methodology

- For example, on 6/30/2018 valuation, the discount rate would change from 7.25% to 7.00%, which will cause the unfunded liability to increase by approximately \$560,000 in next valuation.

Example of CalPERS Amortization "Phase-In" Methodology							
Additional Unfunded Amount	\$560,251						
Percentage Amortized	0%	0%	20%	40%	80%	100%	100%
\$Amort. Payment	\$0	0	11,835	24,351	37,576	51,542	66,280
Year	1	2	3	4	5	6	7
Ending Unfunded	\$560,251	599,469	641,432	674,089	696,087	705,944	702,044

Example of Amortization Without "Phase-In" Methodology							
Additional Unfunded Amount	\$560,251						
Percentage Amortized	100%	100%	100%	100%	100%	100%	100%
\$Amort. Payment	\$39,626	39,626	40,765	41,937	43,143	44,383	45,660
Year	1	2	3	4	5	6	7
Ending Unfunded	\$560,251	558,479	556,583	553,376	548,732	542,515	

\$167K higher in UAL with "Phase-In"

Paying off the Unfunded Accrued Liability using Authority Controlled Pension Trust

Advantages of Pre-funding through Authority-Controlled Trust

- The Authority can access trust's assets at any time, as long as it is used to meet the plan's benefit obligations.
- Trust balance can also be used for CalPERS required contributions. This could mitigate the volatility in CalPERS Employer contributions.
- Trust balance can be used to address CalPERS Total Pension Liability.
- Excess assets can pay for ever increasing Normal Costs even after the unfunded is paid-off.
- Similar to the CBERT account opened in 2016 for the OPEB Plan.
- Signals to plan participants a commitment from AHA to ensure retirement benefits security.
- Other HAs or Cities that adopted a Pension Stabilization Trust recently:
 - Housing Authority of the County of Butte
 - City of Pleasanton, Camarillo, Pasadena, Glendale, Manhattan Beach, Rolling Hills and Palo Alto etc.
 - Please refer to Appendix for more agencies.

21

State of California Pension Stabilization Plan

- State of California owes CalPERS \$59 billion in Unfunded Pension Liabilities.
- State's annual contributions to CalPERS are on track to increase from \$5.8B to \$11.2B by 2031-32.
- Department of Finance analysis estimates that Pension Stabilization Plan will reduce State's pension contributions by more than \$11B over 20 years.
- California State Treasure John Chiang:
 - "it is fiscally responsible to reallocate reasonable amount of the Surplus Money Investment Fund money that is earning a low rate of return*, to pay down a debt that is costing the state 7% in interest."
 - *2-Year Treasury Constant Maturity Rate is currently at 2.81%

22

Potential Disadvantages of Pre-funding through AHA-Controlled Trust

- AHA has fiduciary responsibility on Trust's assets.
- Market volatility has a more direct impact to the Authority's financials due to increased exposure to equity market.
- If trust earns less than CalPERS, the Authority will have to make additional contributions.
- Trust will incur investment expenses compared to CalPERS's PERF, which has minimal expenses.
- Opportunity costs of Authority's capital (i.e. reserves are depleted)
- CalPERS' contribution requirement would not take into account 115 Trust's assets.
- Requires active management by AHA.
 - Increased reporting (GASB 67).
 - Requires pension expertise.

23

Section 3

Current CalPERS Projected Costs

24

Comparison of CalPERS “Phase-In” vs. “True Cost” (reflecting future discount rate changes)

Fiscal Year Beginning	CalPERS Min. Contribution With Phase-In (Current)	CalPERS Min. Contribution Without Phase-In (True Cost)
2018	409,000	538,000
2019	476,000	551,000
2020	524,000	566,000
2021	577,000	581,000
2022	622,000	596,000
2023	650,000	612,000
2024	681,000	628,000
2025	699,000	644,000
2026	718,000	661,000
2027	737,000	679,000
.	.	.
.	.	.
.	.	.
2044	686,000	764,000
2045	675,000	635,000
2046	682,000	787,000
2047	699,000	699,000
2048	716,000	716,000

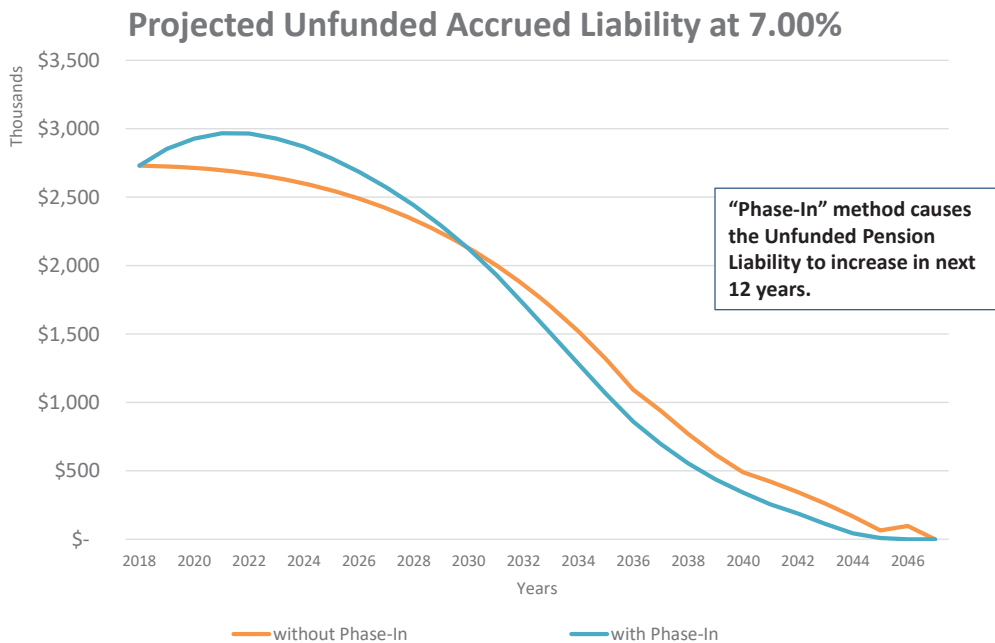
Key Observations

- The Board needs to understand the “true cost” of the plan.
- Any delay in amortization payments will increase the UPL over time. Hence higher total \$contribution.
- Delaying UPL payment will add costs and volatility to the total contribution under CalPERS “Phase-In” methodology.
- Pre-funding to reduce the total \$costs.

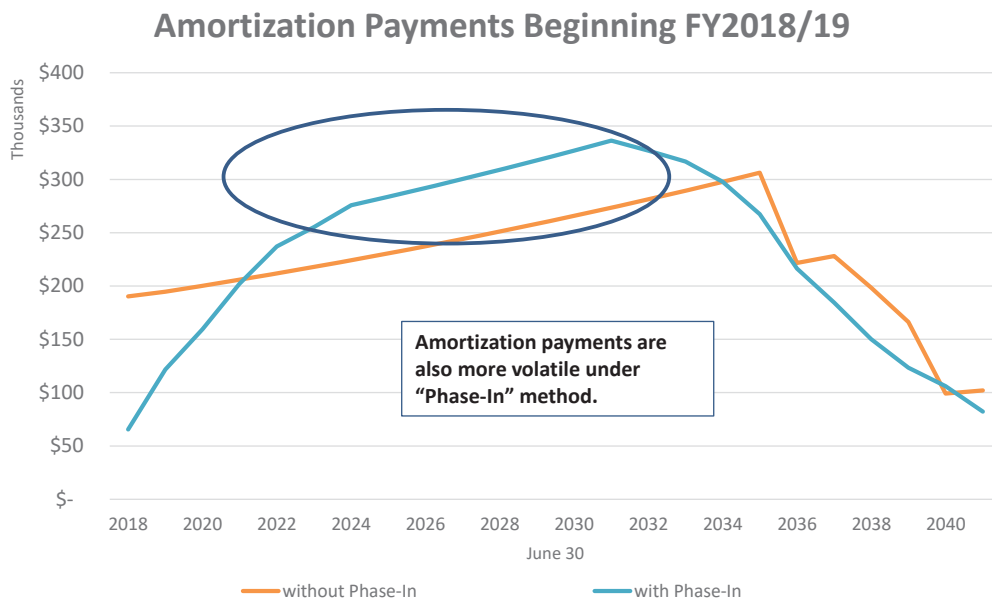
Assumptions

- Minimum contributions include payment to unfunded accrued liability, plus normal costs (assumed to increase 2.5%).
- Projected contributions determined by CalPERS with “Phase-In” methodology.
- Minimum contributions without “Phase-In” column represent the “true cost” of the plan.
- Discount rate of 7.25% for June30 2017, and 7.00% for June 30, 2018 and thereafter.
- Does not take into account discount rate may decrease further.

CalPERS’ “Phase-In” vs. “Not Phase-In”



CalPERS' "Phase-In" or "Not Phase-In"



Section 4

Determining Alternative Funding

Trust Pre-Funding Projection Assumption

- The assumption used to calculate the alternate funding period projections are the same as the assumption used on slide 15.
- Assumed an initial Seed Contribution of **\$1M or \$1.5M** to the Trust. Trust account is used to pay the CalPERS required contributions.
- Additional Contributions are “accumulated”, with an expected long term investment return of **4.00% /5.00%** (for comparisons).
- Due to short and medium term nature of the prefunding period, **10/15 years** amortization periods were used.
- At the end of the amortization period the “accumulated” trust balance will be equal to the UAL.
- Subsequent contributions are assumed to increase 2.00% a year (assumes a steady %payroll costs).

29

Pension Rate Stabilization using 115 Trust Illustrations

Projected Annual Contributions under the following six scenarios:

Scenario A	\$1.0M Initial Trust Fund Contribution, 10-Year Amortization
Scenario A – 1	4.00% Rate of Return
Scenario A – 2	5.00% Rate of Return

Scenario B	\$1.0M Initial Trust Fund Contribution, 15-Year Amortization
Scenario B – 1	4.00% Rate of Return
Scenario B – 2	5.00% Rate of Return

Scenario C	\$1.5M Initial Trust Fund Contribution, 10-Year Amortization
Scenario C – 1	4.00% Rate of Return
Scenario C – 2	5.00% Rate of Return

30

Scenario A-1 Initial Trust Fund of **\$1.0M**, 10-year amortization, **4.00% ROR**

Fiscal Year Beginning	Annual Contrib. To Trust*	CalPERS Payment From Trust	Trust Fund EOY	Trust Fund + CalPERS (Unfunded)
2019	\$541,891	\$409,211	\$1,175,307	\$1,089,643
2020	552,728	475,846	1,300,724	996,814
2021	563,783	523,799	1,402,840	899,493
2022	575,059	576,873	1,476,260	796,750
2023	586,560	622,034	1,528,694	687,170
2024	598,291	650,278	1,577,372	569,296
2025	610,257	681,238	1,620,222	442,471
2026	622,462	699,339	1,660,272	305,833
2027	634,911	717,924	1,697,210	158,617
2028	647,609	737,004	1,730,702	0

Plan is fully funded

*Payroll is assumed to increase 2.00% per year

Scenario A-2 Initial Trust Fund of **\$1.0M**, 10-year amortization, **5.00% ROR**

Fiscal Year Beginning	Annual Contrib. To Trust*	CalPERS Payment From Trust	Trust Fund EOY	Trust Fund + CalPERS (Unfunded)
2019	\$529,086	\$409,211	\$1,172,836	\$1,092,114
2020	539,668	475,846	1,296,875	1,000,663
2021	550,461	523,799	1,398,395	903,938
2022	561,470	576,873	1,471,781	801,229
2023	572,700	622,034	1,524,519	691,345
2024	584,154	650,278	1,573,729	572,939
2025	595,837	681,238	1,617,298	445,395
2026	607,754	699,339	1,658,214	307,891
2027	619,909	717,924	1,696,137	159,690
2028	632,307	737,004	1,730,703	0

Plan is fully funded

*Payroll is assumed to increase 2.00% per year

Scenario B-1 Initial Trust Fund of **\$1.0M**, 15-year amortization, **4.00% ROR**

Fiscal Year Beginning	Annual Contrib. To Trust*	CalPERS Payment From Trust	Trust Fund EOY	Trust Fund + CalPERS (Unfunded)
2019	\$498,868	\$409,200	\$1,131,433	\$1,133,517
2020	508,845	475,800	1,210,342	1,087,196
2021	519,022	514,700	1,263,195	1,039,138
2022	529,403	558,100	1,284,470	988,540
2023	539,991	593,000	1,281,740	934,124
2024	550,790	610,500	1,272,099	874,569
2025	561,806	630,100	1,253,328	809,365
2026	573,042	646,700	1,228,303	737,802
2027	584,503	663,800	1,196,556	659,271
2028	596,193	681,300	1,157,588	573,115
2029	608,117	699,300	1,110,876	478,613
2030	620,279	717,800	1,055,865	374,981
2031	632,685	736,800	991,972	261,367
2032	645,339	756,200	918,583	136,840
2033	658,245	756,500	855,159	(0)

Plan is fully funded

*Payroll is assumed to increase 2.00% per year

Scenario B-2 Initial Trust Fund of **\$1.0M**, 15-year amortization, **5.00% ROR**

Fiscal Year Beginning	Annual Contrib. To Trust*	CalPERS Payment From Trust	Trust Fund EOY	Trust Fund + CalPERS (Unfunded)
2019	\$489,005	\$409,200	\$1,131,765	\$1,133,185
2020	498,785	475,800	1,211,858	1,085,680
2021	508,761	514,700	1,266,397	1,035,936
2022	518,936	558,100	1,289,598	983,412
2023	529,315	593,000	1,288,771	927,093
2024	539,901	610,500	1,280,847	865,821
2025	550,699	630,100	1,263,519	799,174
2026	561,713	646,700	1,239,568	726,537
2027	572,947	663,800	1,208,439	647,388
2028	584,406	681,300	1,169,535	561,168
2029	596,094	699,300	1,122,230	467,259
2030	608,016	717,800	1,065,853	364,993
2031	620,177	736,800	999,692	253,647
2032	632,580	756,200	922,993	132,430
2033	645,232	756,500	855,159	(0)

Plan is fully funded

*Payroll is assumed to increase 2.00% per year

Scenario C-1 Initial Trust Fund of **\$1.5M**, 10-year amortization, **4.00% ROR**

Fiscal Year Beginning	Annual Contrib. To Trust*	CalPERS Payment From Trust	Trust Fund EOY	Trust Fund + CalPERS (Unfunded)
2019	\$486,331	\$409,211	\$1,638,647	\$626,303
2020	496,057	475,846	1,724,805	572,733
2021	505,979	523,799	1,784,934	517,399
2022	516,098	576,873	1,813,510	459,500
2023	526,420	622,034	1,818,103	397,761
2024	536,949	650,278	1,815,800	330,868
2025	547,688	681,238	1,804,379	258,314
2026	558,641	699,339	1,786,711	179,394
2027	569,814	717,924	1,762,320	93,507
2028	581,210	737,004	1,730,703	0

Plan is fully funded

*Payroll is assumed to increase 2.00% per year

Scenario C-2 Initial Trust Fund of **\$1.5M**, 10-year amortization, **5.00% ROR**

Fiscal Year Beginning	Annual Contrib. To Trust*	CalPERS Payment From Trust	Trust Fund EOY	Trust Fund + CalPERS (Unfunded)
2019	\$470,915	\$409,211	\$1,638,228	\$626,722
2020	480,333	475,846	1,724,736	572,802
2021	489,939	523,799	1,785,633	516,700
2022	499,738	576,873	1,815,124	457,886
2023	509,733	622,034	1,820,507	395,357
2024	519,928	650,278	1,818,705	327,963
2025	530,326	681,238	1,807,394	255,299
2026	540,933	699,339	1,789,343	176,762
2027	551,751	717,924	1,763,983	91,844
2028	562,786	737,004	1,730,703	0

Plan is fully funded

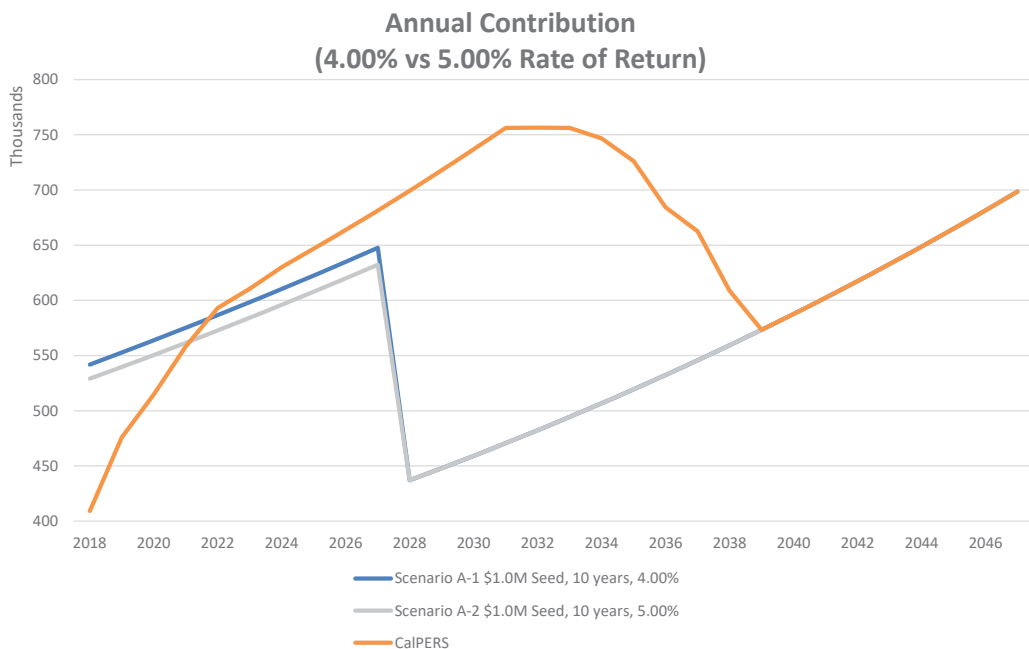
*Payroll is assumed to increase 2.00% per year

The “Four Unknowns”

1. Initial Seed Contribution
2. Amortization Period
3. Investment Rate of Return
4. Annual Contribution Rate

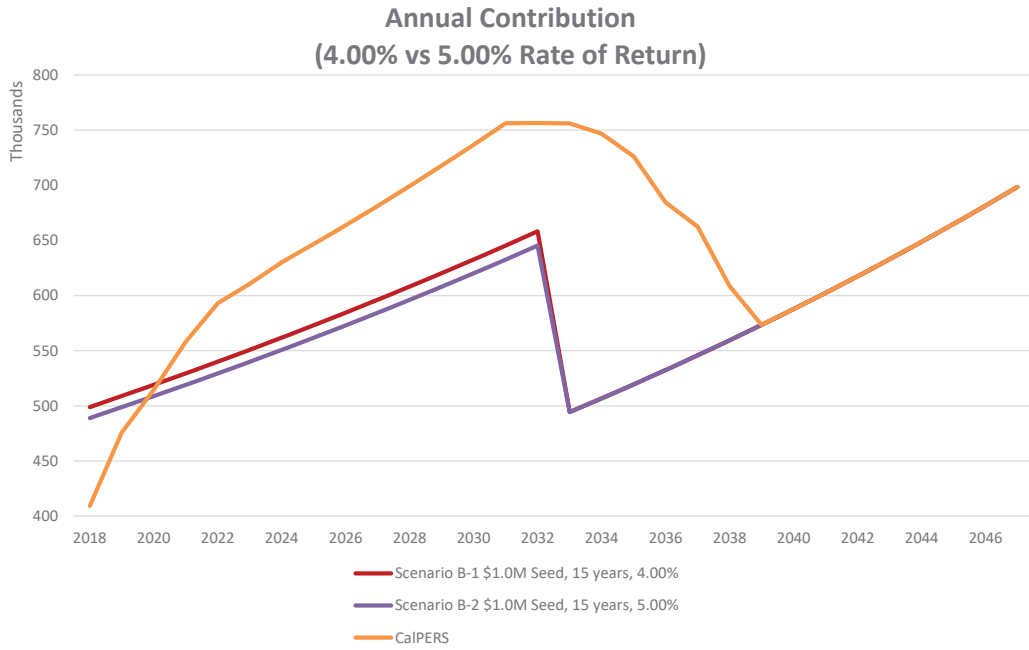
37

Scenario A - \$1.0M Seed, 10-year Amortization Period



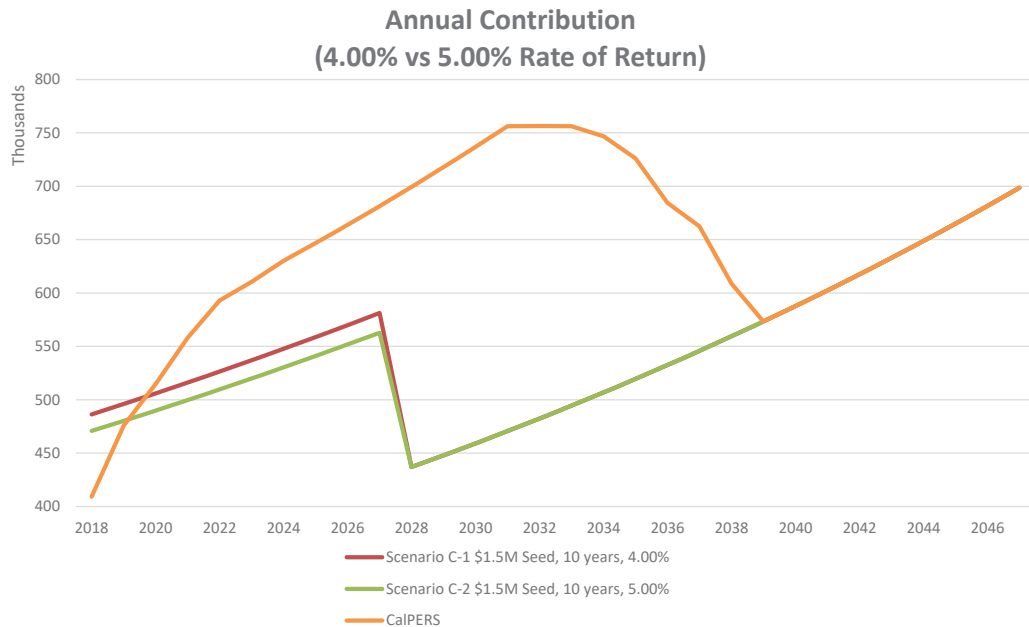
38

Scenario B - \$1.0M Seed, 15-year Amortization Period



39

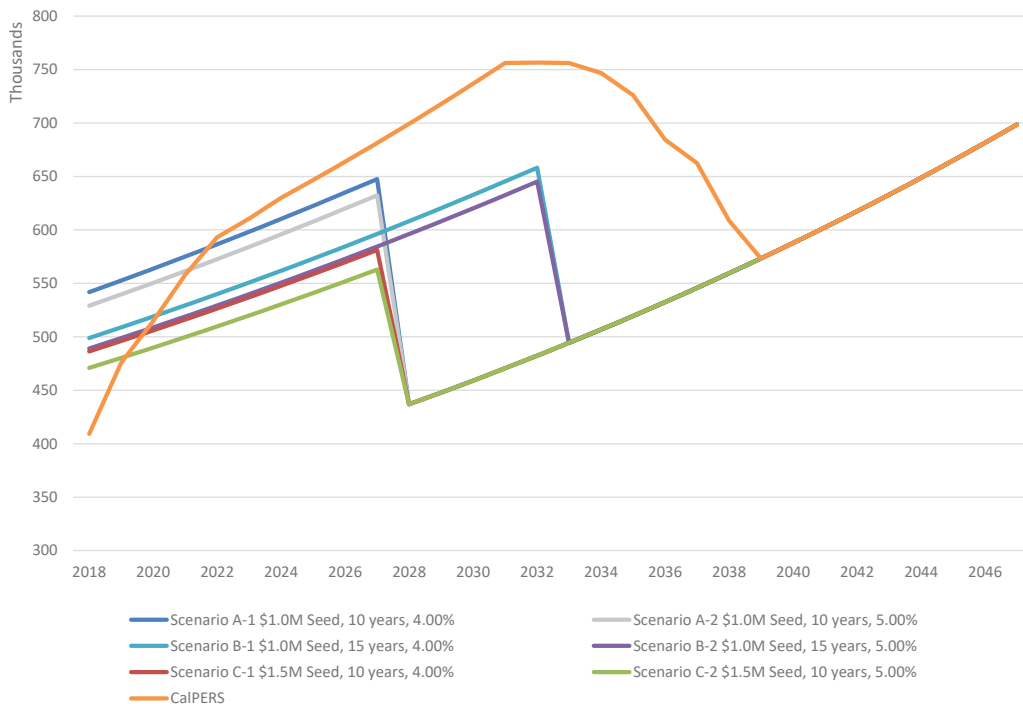
Scenario C - \$1.5M Seed, 10-year Amortization Period



40

Scenarios A, B, & C Combined

Annual Contribution under Various Pre-funding Scenarios



15 Years Summary of Total Contributions

	CalPERS	Scenario A-2		Scenario B-1	Scenario B-2	Scenario C-1	Scenario C-2
Expected ROR	7.00%	4.00%	5.00%	4.00%	5.00%	4.00%	5.00%
Initial Seed Cont.	N/A	\$1.0M		\$1.0M		\$1.5M	
Amortization Period		10-Year		15-Year		10-Year	
2019-20	409,200	541,900	529,100	498,900	489,000	486,300	470,900
2020-21	475,800	552,700	539,700	508,800	498,800	496,100	480,300
2021-22	514,700	563,800	550,500	519,000	508,800	506,000	489,900
2022-23	558,100	575,100	561,500	529,400	518,900	516,100	499,700
2023-24	593,000	586,600	572,700	540,000	529,300	526,400	509,700
2024-25	610,500	598,300	584,200	550,800	539,900	536,900	519,900
2025-26	630,100	610,300	595,800	561,800	550,700	547,700	530,300
2026-27	646,700	622,500	607,800	573,000	561,700	558,600	540,900
2027-28	663,800	634,900	619,900	584,500	572,900	569,800	551,800
2028-29	681,300	647,600	632,300	596,200	584,400	581,200	562,800
2029-30	699,300	437,000	437,000	608,100	596,100	437,000	437,000
2030-31	717,800	447,900	447,900	620,300	608,000	447,900	447,900
2031-32	736,800	459,100	459,100	632,700	620,200	459,100	459,100
2032-33	756,200	470,600	470,600	645,300	632,600	470,600	470,600
2033-34	756,500	482,300	482,300	658,200	645,200	482,300	482,300

Summary of Total Contributions FYE 2020-2050 (30 years)

	CalPERS	Scenario A-1	Scenario A-2	Scenario B-1	Scenario B-2	Scenario C-1	Scenario C-2
Expected ROR	7.00%	4.00%	5.00%	4.00%	5.00%	4.00%	5.00%
Amortization Years		10-year	10-year	15-year	15-year	10-year	10-year
Initial Seed Cont.	N/A	\$1.0M	\$1.0M	\$1.0M	\$1.0M	\$1.5M	\$1.5M
Initial Flat Contribution Include Normal Costs	\$409,000	\$541,900	\$529,100	\$498,000	\$489,000	\$486,300	\$470,900
Total Contribution (Seed + sum of Annual)	\$19.4M	\$18.1M	\$18.0M	\$18.5M	\$18.3M	\$18.0M	\$17.8M
Savings (compared to CalPERS)		\$1.3M	\$1.4M	\$0.9M	\$1.1M	\$1.4M	\$1.6M

- Assumed annual contribution will increase same as increase in payroll of 2.00% per year.
- Savings is the difference between CalPERS total contributions and Scenarios' total contributions plus initial Seed funding amount.
- Generally, a 1.00% increase in rate of return will increase the savings by approximately \$0.2M
- In FY2017/18, CalPERS PERF reported a rate of return on assets of 8.60%.

43

Section 5

Funding Vehicles

44

Option 1 - CalPERS Pension Prefunding Program

- Governor signed Senate Bill 1413 provides for CalPERS to establish Pension Prefunding Trust Program, an 115 irrevocable trust.
- California Employers' Pension Prefunding Trust (CEPPT) was created in 2019 similar to CERBT for OPEB Plans.
- Pros and Cons:
 - Pros
 - Lower management/administration costs.
 - AHA has established relationship with CalPERS in using 115 irrevocable trust.
 - Cons
 - Limited investment strategies.
- CEPPT Investment Policy:
 - Investment policy was designed to accommodate inflow and outflows without adversely affecting CEPPT's investment performance.
 - CEPPT assets are to be held at short to medium terms, compared to CERBT assets are held medium to long term for OPEBs.
 - CalPERS is finalizing the investments options for CEPPT and expected to be available for employers to participate after June 30, 2019.

45

Option 2 - Public Agency Pension Retirement Services

- PARS is an independent Section 115 trust
- Overhead higher than with CERBT/CEPPT: management fees starting at 25 basis points
- AHA would need to contract auditors for GASB 67 Plan Audit
- Flexible deadlines for reporting
- Flexible plan year
- Five investment strategies and ability to tailor your own
- Over 170 California employers have assets in PARS Trusts, totaling over \$1 billion

46

OPEB/PENSION CLIENT LIST

UPDATED: FEBRUARY 2018

CITIES & TOWNS

Alameda	El Centro*	Morgan Hill	Santa Clara
Alhambra	El Segundo*	Napa	Santa Clarita
Atherton	Elk Grove	National City	Sausalito
Bakersfield	Fountain Valley	Norwalk	Solana Beach
Bell Gardens	Fullerton	Novato	Stanton
Beverly Hills	Galt	Oakley	Stockton
Brea*	Glendale	Oroville	Temple City
Brisbane	Half Moon Bay	Palo Alto	Tiburon
Burlingame*	Healdsburg*	Pasadena	Tustin
Camarillo	Hercules	Pico Rivera	Union City
Capitola*	Hermosa Beach	Port Hueneme	Upland
Chino Hills	Huntington Beach	Rancho Cucamonga*	Vallejo
Colma	La Mesa*	Redding	Villa Park
Commerce	La Verne	Redwood City	West Covina
Coronado	Lake Forest	Rialto	West Sacramento
Covina	Lakewood	Richmond	Westminster*
Crescent City	Livermore	Rohnert Park	Woodland
Cupertino	Lodi	Rolling Hills	Yountville
Cypress*	Los Altos Hills*	Rosemead	Yuba City
Daly City	Los Gatos	San Leandro	Yucca Valley
Duarte	Mammoth Lakes	San Ramon	
Dublin	Manhattan Beach	Santa Ana	

COUNTIES

Amador	Merced	Shasta
Contra Costa	Mono	Siskiyou
Humboldt	Nevada	Solano
Imperial	Placer	Sonoma
Inyo	Plumas	Sutter
Kern	Riverside	Trinity
Kings	San Benito	Yolo

Bolded agencies have adopted PRSP
* PRSP only



CLIENT LIST | 1

CERBT vs. PARS Investment Information

CERBT & PARS Policy Targets & Strategic Ranges

Conservative Appreciation

Asset Class	PARS Conservative			CERBT Strategy 2	PARS Moderate	CERBT Strategy 1	PARS Balanced	PARS Capital Appreciation
Global Equity	15% 5-20%	22% 17-27%	30% 20-40%	40% 35-45%	50% 40-60%	59% 54-64%	60% 50-70%	75% 65-85%
Fixed Income	80% 60-95%	49% 45-55%	65% 50-80%	43% 38-48%	45% 40-60%	25% 20-30%	35% 30-50%	20% 10-30%
Global Real Estate	NA	8% 3-13%	NA	8% 3-13%	NA	8% 3-13%	NA	NA
Treasury Inflation Protected Securities	NA	16% 13-19%	NA	5% 2-8%	NA	5% 2-8%	NA	NA
Commodities	NA	5% 2-8%	NA	4% 1-7%	NA	3% 0-6%	NA	NA
Cash	5% 0-20%	0% 0-2%	5% 0-20%	0% 0-2%	5% 0-20%	0% 0-2%	5% 0-20%	5% 0-20%

Comparison of Investment Strategies and Expected Rate of Return

CEPPT (unofficial release May 2019)	Conservative (Strategy 2)		Moderately Conservative (Strategy 1)		
Global Equity	14%		40%		
Fixed Income	73%		47%		
TIPS	5%		5%		
	8%		8%		
Expected Return(Gross, before 10-bps expenses)	4.25%		5.25%		
Expected Risk (Std. Dev.)	5.2%		8.2%		

PARS as of June 2018	Conservative	Moderately Conservative	Moderate	Balanced	Capital Appreciation
Global Equity	14%	29%	48%	58%	73%
Fixed Income	80%	65%	45%	35%	20%
Real Estate	1%	1%	2%	2%	2%
Cash	5%	5%	5%	5%	5%
Expected Return(Gross)	4.96%	5.61%	6.25%	6.53%	6.89%
Expected Risk (Std. Dev.)	3.45%	4.70%	7.65%	9.34%	11.99%

49

Comparison of Past Performance (CERBT vs. PARS)

CERBT as of March 2019	CERBT Strategy 3 (Inception Jan 1, 2012)	CERBT Strategy 2 (Inception Jan 1, 2012)	CERBT Strategy 1 (Inception Jan 1, 2007)
1 year	4.73%	4.56%	3.93%
5 year	4.24%	4.85%	5.38%
10 year	N/A	N/A	10.94%
ITD	5.45%	7.24%	4.74%
Expected Return(Gross, near-longer)	4.41% - 6.22%	5.22% - 7.01%	5.85% - 7.59%

PARS as of Feb 2018	Conservative	Moderately Conservative	Moderate	Balanced	Capital Appreciation
1 year	6.73%	9.56%	13.19%	15.46%	16.72%
5 year	3.39%	5.26%	7.42%	8.54%	10.08%
10 year	3.75%	4.93%	5.45%	5.74%	10.90%
Expected Return(Gross)	4.96%	5.61%	6.25%	6.53%	6.89%

50

CERBT Investment Returns – Time Weighted

Periods Ended March 31, 2019

Fund	Assets	1 Month	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	ITD
CERBT Strategy 1 (Inception June 1, 2007)	\$7,388,913,428	1.79%	10.19%	2.87%	3.93%	8.01%	5.38%	10.94%	4.74%
Benchmark		1.79%	10.13%	2.61%	3.63%	7.50%	4.95%	10.57%	4.29%
CERBT Strategy 2 (Inception October 1, 2011)	\$1,226,284,117	2.17%	8.82%	3.59%	4.56%	6.69%	4.85%	NA	7.24%
Benchmark		2.17%	8.74%	3.36%	4.26%	6.18%	4.44%	NA	6.91%
CERBT Strategy 3 (Inception January 1, 2012)	\$615,557,499	2.40%	7.38%	3.80%	4.73%	5.24%	4.24%	NA	5.45%
Benchmark		2.38%	7.29%	3.61%	4.52%	4.79%	3.86%	NA	5.10%

Time weighted return reports the performance of the investment vehicle, not of the employer assets. Returns are gross. Historical performance is not necessarily indicative of actual future investment performance or of future total program cost. Current and future performance may be lower or higher than the historical performance data reported here. Investment return and principal value may fluctuate so that your investment, when redeemed, may be worth more or less than the original cost. The value of an employer's CERBT fund shares will go up and down based on the performance of the underlying funds in which the assets are invested. The value of the underlying funds' assets will, in turn, fluctuate based on the performance and other factors generally affecting the securities market.

51

PARS Investment Returns – Time Weighted

Periods Ended March 31, 2019

Fund	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
Conservative (Inception July, 2004)	4.60%	4.60%	4.26%	4.00%	3.37%	5.66%
Benchmark	4.03%	4.03%	4.34%	3.47%	3.23%	4.52%
Moderately Conservative (Inception August, 2004)	6.08%	6.08%	4.27%	5.47%	4.18%	7.29%
Benchmark	5.76%	5.76%	4.77%	5.05%	4.32%	6.44%
Moderate (Inception October, 2004)	8.24%	8.24%	4.64%	7.53%	5.33%	9.09%
Benchmark	7.94%	7.94%	5.18%	7.13%	5.62%	8.80%
Balanced (Inception October, 2006)	9.42%	9.42%	4.73%	8.61%	5.83%	9.91%
Benchmark	9.04%	9.04%	5.32%	8.16%	6.26%	10.05%
Capital Appreciation (Inception January, 2009)	10.88%	10.88%	4.83%	9.67%	6.72%	11.11%
Benchmark	10.61%	10.61%	5.27%	9.63%	7.06%	11.90%

52

(basis points)		PARS (Consulting + Investment)
Under \$5M	10.0	60.0
\$5-10M	10.0	50.0
\$10-15M	10.0	40.0
\$15-50M	10.0	30.0

53

Funding Vehicle - CEPPT vs. PARS

- CEPPT offers a low cost prefunding investment vehicle. 10 basis points vs. PARS 60 basis point (equivalent of annual fee of \$12K for a \$2M trust).
- There are only two investment options offered by CEPPT, designed for short term time horizon.
- PARS offers a wider range/customizations of investment strategies than CEPPT. Better suit for a larger/long term investment horizon.
- Decisions, Decisions - Board should consider the following:
 1. Investment horizon (before full funding is reached)? 10-15 years?
 2. Seed contributions? \$1.0M-\$1.5M? Dollar-averaging investing?
 3. Risk tolerance? Equity% exposures?
 4. CEPPT vs. PARS.

54



Appendix

Current Amortization Method

Circular Letter: 200-027-18
April 26, 2018

The following table summarizes key features of the current policy.

Source of UAL

Driver	(Gain)/Loss Investment	(Gain)/Loss Non-investment	Assumption/Method Change	Benefit Change	Golden Handshake
Amortization Period	30 Years	30 Years	20 Years	20 Years	5 Years
Escalation Rate*	Payroll (3%)	3%	3%	3%	3%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

* Reducing to 2.875% for the 6/30/2017 valuations and 2.75% for the 6/30/2018 valuations.

Effective 6/30/2019 New Amortization Method

Circular Letter: 200-027-18
April 26, 2018

Source

Driver	(Gain)/Loss Investment	(Gain)/Loss Non-investment	Assumption/Method Change	Benefit Change	Golden Handshake
Amortization Period	20 Years	20 Years	20 Years	20 Years	5 Years
Escalation Rate	0%	0%	0%	0%	0%
Ramp Up	5	0	0	0	0
Ramp Down	0	0	0	0	0

Summary:

- 1) Shortening of Amortization Period
- 2) Replace Ramp Up & Down with level amortization

More information can be found here:
<https://www.calpers.ca.gov/docs/circular-letters/2018/200-027-18.pdf>

The policy allows existing amortization bases to remain unchanged to minimize budgeting disruptions. The June 30, 2019 implementation date means that the first contribution year that state employers will see any impact is fiscal year 2020-21.



Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Lisa Caldwell, Director of Property Operations

Date: June 19, 2019

Re: Approve a Resolution to Allow the Executive Director to Open New
Collateralized Bank Accounts with Citibank for The John Stewart Managed
Properties

BACKGROUND

The John Stewart Company (JSCO) currently manages two (2) AHA owned properties, which include Rosefield Village and Eagle Village. Collateralized bank accounts need to be set up for these properties and will be managed by JSCO as authorized delegates.

DISCUSSION

As a government agency AHA is required to have collateralized bank accounts. The FDIC only guarantees bank accounts up to \$250,000 and the properties generate income that exceeds this quickly. Currently JSCO is sending AHA checks when the accounts go over \$250,000. Once the accounts are collateralized JSCO will no longer need to do this. Also once the accounts are collateralized AHA will send back the funds in order to be held in the property accounts as they should.

Currently these accounts include:

- Rosefield Village Operating Account
- Rosefield Security Deposit Account
- Eagle Village Operating Account
- Eagle Village Security Deposit Account

Once the new accounts are open JSCO will transfer all the funds from the current accounts to the new accounts and close the accounts that are longer needed.

FINANCIAL IMPACT

There will be a small financial impact in the form of bank fees which the property budgets can support.



Honorable Chair and
Members of the Board of Commissioners

June 19, 2019
Page 2 of 2

RECOMMENDATION

Approve a resolution to allow the Executive Director to open new collateralized bank accounts with Citibank for The John Stewart Managed properties.

Respectfully submitted,



Lisa Caldwell
Director of Property Operations

VMC/all

CITIBUSINESS® GENERAL DEPOSIT RESOLUTION FOR PUBLIC ENTITIES



I, the undersigned, Vanessa Cooper, the Executive Director
 of Housing Authority of the City of Alameda
 a Public Entity, ("Public Entity")
 located at 701 Atlantic Avenue Alameda, CA 94501

DO HEREBY CERTIFY that the Board of Trustees of the Public Entity, (or such other governing body as is authorized to designate depositories and to transact, or delegate the authority to transact, the financial business of the Public Entity) at a meeting duly called and held on the 6/14/19 day of _____, a quorum being present and acting throughout, unanimously adopted and recorded the following resolution, in accord with and pursuant to the charter and the organizational documents of the Public Entity, and such resolution is now in full force and effect:

RESOLVED, that

1. Citibank (hereinafter referred to as 'Bank') be and is hereby designated as a provider of banking services to this Public Entity;
2. The following persons (Indicate below the full names, or the titles, of the signatories. If two or more are designated, then clearly indicate in what manner they are to sign, whether singly or jointly)

Print First and Last Name: Vanessa Cooper	Title: Executive Director	Signatories Signing (Check one): <input checked="" type="checkbox"/> Singly <input type="checkbox"/> Jointly
Print First and Last Name: Janet Basta	Title: Director	Signatories Signing (Check one): <input type="checkbox"/> Singly <input checked="" type="checkbox"/> Jointly
Print First and Last Name: Lisa Caldwell	Title: Director	Signatories Signing (Check one): <input type="checkbox"/> Singly <input checked="" type="checkbox"/> Jointly

are authorized:

- a. To open deposit accounts at Bank;
- b. To apply to Bank for credit, to borrow money, with or without security, and to access overdraft lines of credit;
- c. To contract for any services offered by Bank, including (without limitation) electronic account access and management services;
- d. To submit for deposit and/or collection for the account of this Public Entity all checks, drafts, notes or other instruments for the payment of money; and the bank is authorized to accept such instruments, whether or not endorsed by this Public Entity, without inquiry as to the circumstances of the endorsement or lack thereof, it being understood that each such instrument shall be deemed to be unqualifiedly endorsed by this Public Entity;
- e. To make deposits of currency for the account of this Public Entity;
- f. To sign checks, drafts or other orders with respect to any funds to the credit of this Public Entity, including checks, drafts or orders in favor of any individual designated above, and to issue stop payment instructions with reference to any of the above;
- g. To make withdrawals or transfers of funds from accounts in the name of this Public Entity, and to transfer funds between such accounts, by any means authorized by Bank, including (without limitation) use of a negotiable instrument, withdrawal ticket, a debit card, a credit card, a terminal or other electronic or telephone device, including such as may cause overdrafts.
- h. To consent to receive written communications in an electronic form and to provide consent to use electronic signatures.

3. (Applicable to Public Entities designating joint signing authority)

The Public Entity acknowledges that the above joint signatory designation is a statement of its own internal policy and not a service offered by Bank. Further, the Public Entity has been offered Bank's CitiBusiness® Online service that can provide the Public Entity with a systemic method of controlling the signature limitation. The Public Entity agrees that Bank assumes no responsibility for the payment of a check, draft, or other item drawn on any Public Entity account or for any withdrawal from any account which is honored and bears only a single authorized signature of one of the individuals designated above.

4. The designated authorized person(s) in this Resolution are individually empowered to delegate to other persons the authority to perform transactions with respect to the accounts of this Public Entity and to change and revoke such delegations from time to time; the bank is entitled to rely upon such delegations of authority and to accept instructions from such other persons as being fully authorized by this Public Entity.
5. The Bank is hereby authorized to accept for deposit, for credit, for discount, for collection, or otherwise, any and all instruments deposited by or on behalf of the Public Entity, whether or not endorsed by any person or by stamp or other impression in the name of the Public Entity, without inquiry as to the circumstances of the endorsement or lack of endorsement or the disposition of the proceeds.
6. The Bank is authorized to pay any check, draft or other instrument for the payment of money drawn on any account of this Public Entity which bears or appears to bear the facsimile signatures provided below or such other facsimile signature later certified by an authorized representative of the Public Entity to be authorized, if the facsimile signature, regardless of how or by whom affixed, resembles a specimen facsimile signature provided to and filed with Bank.
7. The Public Entity agrees to be bound by all of the rules, regulations, charges and fees of Bank contained in the U.S. Citi Commercial Bank Master Account and Service Agreement, Citi Commercial Bank Treasury Solutions Guide (the "Treasury Solutions Guide"), separate pricing schedules provided to Client, the CitiBusiness Online User Agreement, terms set forth on CitiBusiness® Online, and other agreements, documentation and set up forms concerning the accounts and services provided by the Bank (as the same may be amended from time to time, collectively "Related Materials").
8. The Public Entity agrees that by opening any deposit account, Business Credit Account or Business Checking Plus Account with Bank or accepting any of the services connected with such accounts, either Bank or the Public Entity may elect to require any dispute between us concerning the aforementioned accounts or any other Bank deposit account, Business Credit Account, or Business Checking Plus Account be resolved by binding arbitration. In the event of any litigation in which the Bank and the Public Entity are adverse parties, the right to a trial by jury and to interpose any defense based upon any Statute of Limitations or any claims of laches, and any offset or counterclaim of any nature or description, is hereby waived by the Public Entity. The Public Entity agrees that if an attorney is used by the Bank to enforce, declare or adjudicate any of the provisions herein or any of the rights herein granted to the Bank or to obtain payment of any obligations owed to the Bank, reasonable attorney's fees shall be payable by the Public Entity. The Bank shall not, by any act, delay, omission or otherwise, be deemed to have waived any of its rights or remedies hereunder unless such waiver be in writing, signed by the Bank, and then only to the extent therein set forth.

AUTHORIZATION

I FURTHER CERTIFY that the individuals listed below and on the bank's signature card are those of the authorized signers designated above and that each said individual is legally empowered, in accordance with the charter and organizational documents of the Public Entity, to exercise the authority provided for in this Resolution.

Print First and Last Name: Vanessa Cooper	Title/Position Held: Executive Director
Print First and Last Name: Janet Basta	Title/Position Held: Director of HR and Operations
Print First and Last Name: Lisa Caldwell	Title/Position Held: Director of Property Operations
Print First and Last Name:	Title/Position Held:
Print First and Last Name:	Title/Position Held:

IN WITNESS WHEREOF, I have this day subscribed my name and affixed the seal of the public entity.

Designate Printed Name and Position/Office of Person Certifying Resolution:	Date:
Signature: X _____	Date:

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

Resolution No. _____

APPROVING THE EXECUTIVE DIRECTOR
TO OPEN NEW COLLATERALIZED BANK ACCOUNTS
FOR THE HOUSING AUTHORITY

WHEREAS, The Housing Authority currently has 4 bank accounts held and managed by The John Stewart Company with Citibank for the purpose of operating Housing Authority business; and

WHEREAS, to collateralize; better manage balances in accounts and allow the property accounts to have balances over \$250,000.

NOW, THEREFORE. BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of the City of Alameda hereby authorizes and directs the Executive Director of the Housing Authority to open four new collateralized bank accounts with Citibank as followed:

- Rosefield Village Operating Account
- Rosefield Village Security Deposit Account
- Eagle Village Operating Account
- Eagle Villa Security Deposit Account

AND, authorize the Executive Director of the Housing Authority to complete the attached Citibusiness General Deposit Resolution for Public Entities.

ATTEST:

Vanessa M. Cooper
Executive Director/Secretary

Kenji Tamaoki, Chair
Board of Commissioners

ATTACHEMENT: Citibusiness General Deposit Resolution for Public Entities form